

The NATIONAL UNDERWRITER



*REINSURANCE makes a basic contribution
to the strength of the Insurance Industry*



GENERAL REINSURANCE GROUP

Largest American multiple line market
dealing exclusively in Reinsurance

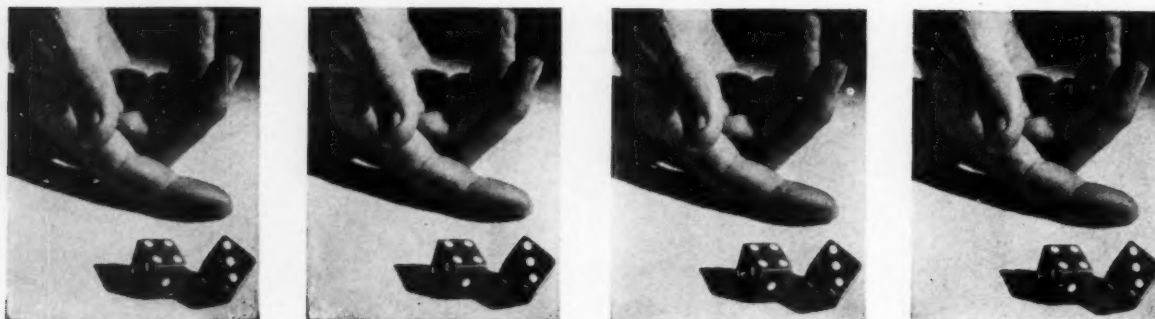
GENERAL REINSURANCE
CORPORATION
Casualty • Fidelity
Surety

NORTH STAR REINSURANCE
CORPORATION
Fire • Inland Marine
Ocean Marine

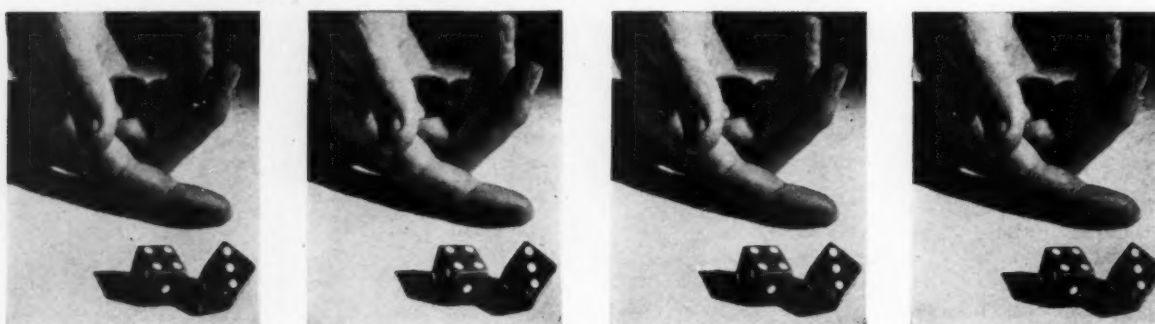
90 JOHN ST., NEW YORK 7

THURSDAY, APRIL 7, 1949

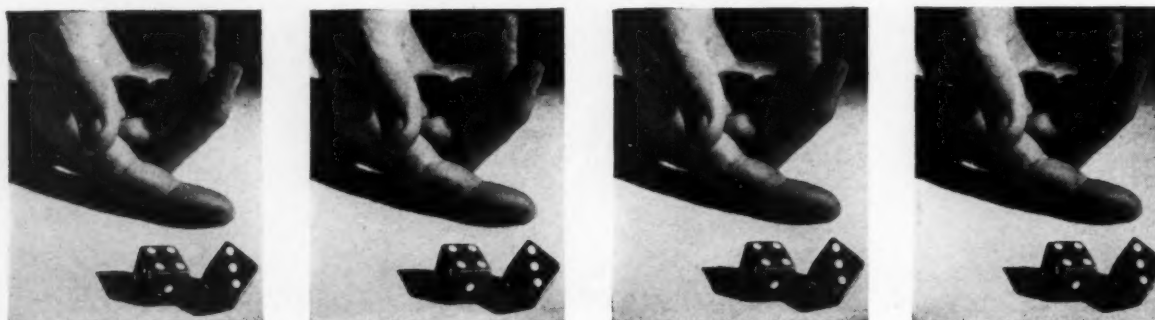
*C*hance and luck are no substitute



for steady, experienced Agency Service



—your best insurance for client satisfaction



The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS and TRADERS INSURANCE COMPANY



FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICES, HARTFORD 15, CONN.

WESTERN DEPARTMENT

175 W. JACKSON BLVD., CHICAGO 4, ILL.

CANADIAN DEPARTMENT

485 MCGILL ST., MONTREAL 1, P. Q., CANADA

PACIFIC DEPARTMENT

234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

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Cites NLRB Change Against Life Cos. as "Warning Signal"

Walter Sheldon Addresses
Rocky Mountain Area
Conference of N.A.I.A.

Charges filed with national labor relations board that National Assn. of Life Underwriters "is actually a collective bargaining agency . . . and that it is not fulfilling that function properly" were



W. M. Sheldon

cited by Walter M. Sheldon of W. A. Alexander & Co., Chicago, as "a warning signal to all of us to be on our toes if we wish to continue to enjoy the same relationships with our companies, as they refer to our agency contracts, as we have in the past."

Circumscribed Into Narrow Area

Addressing the Rocky Mountain territorial conference of the National association of Insurance Agents, Mr. Sheldon, who is an N.A.I.A. executive committee member, said that some producers have said that from a practical standpoint, the right of private contract disappeared in the action taken last year by some of the companies "when they took unilateral action on mutually agreed contracts."

"Let us not be fooled on this question of commissions and the new rate regulatory laws," said Mr. Sheldon. "While I know of no rating law today that specifically gives to any state supervising authority the right to take away from the agents their right of private contract, I do know that the important men in the business argue that with strict rate control the practical application of the right of private contract is circumscribed into a narrow area by the segment in the rates for acquisition costs."

Mr. Sheldon discussed the New York legislative proposal authorizing voluntary cooperative commission agreements between two or more companies which provide that any agreements and the rules and regulations adopted pursuant thereto must only be entered into after consultation with licensed insurance agents and brokers. He said that while there was a feeling that this particular bill would die in committee, its introduction by a member of special legislative investigating committee at about the same time that the state attorney-general handed down an opinion that the operations of the Acquisition Cost Control Conference were in violation of the state's anti-trust law in an effort to pass commission legislation in New York should convince all segments of the industry of the importance of company-agency conferences on fundamental commission principles.

Might Separate Service Factor

There appears to be a growing school of thought among some producers that possibly the solution to this important problem may lie in the recognition of the principle that a part of the current commission dollar, possibly as much as 25 to 30%, is paid the agent by the company for service that in some in-

(CONTINUED ON PAGE 23)

Assay Impact of Multiple Powers on the Business

Effect Will Be Important,
Executives Believe;
Legislative Score

With adoption of multiple line underwriting laws by New York, with its Appleton rule, and Pennsylvania, which is considered assured, the statutory road for full line business by fire and casualty companies will be pretty well cleared. Below is exhibited the status of underwriting powers in all states and territories, with bills pending in legislatures currently in session.

The effect of multiple line underwriting on the fire-casualty business will be important, perhaps more so than has been anticipated, many believe. There are, however, a lot of problems for the company that wants to write lines other than those it has been handling and for which it is equipped with experience and personnel. Consequently the effect may be spread over a considerable time, and it does not now appear likely that it would cause sudden or violent changes.

Executives on both the fire and casualty side have been assessing the situation for some time, some already are writing reinsurance across the traditional lines of division, full cover automobile, and so on.

The influence is expected to be considerable on the casualty side because there are many more major fire companies than there are casualty carriers, at least three or four to one. The surpluses of fire insurers have shown substantial increases in the past five years, as the 1948 tabulations clearly indicate. More of the money in premium reserves is coming down at a time when practically all states are granting multiple line powers and as an era of stiffer competition for premiums looms ahead.

The ratio of fire company premiums to policyholder surplus runs close to one to one, which is considerably higher than for the casualty insurers, where it is roughly two to one. Thus the fire companies could absorb more casualty business than fire liability because so much of the fire policies is term.

Fire Companies Have the Money

The fire companies could, so far as money is concerned, enter the casualty field in a vigorous way. One effect would be to push commissions upward, some observers believe. Commissions in the casualty field have remained fairly well stabilized for about 20 years with three sizes of commissions—for the local agent, regional agent, and general agent. For example, the casualty companies pay 17½% to local agents on automobile bodily injury, 20% to regional agents and 25% to general agents. A fire company might pay for good casualty business as much as 25%, and there is some feeling that as they begin to compete for casualty premiums, the tendency would be to move the local agent up to a regional status and the regional agent up to general agency level.

There naturally would not be the same impetus behind the company group that has in it both fire and casualty companies to get their hands on casualty business as there would be for the fire company only group or the single fire carrier. At present it looks as if it would be a matter of offering a full package in order to compete with other companies that are doing so. With fewer casualty companies, agents are looking for that kind of service perhaps a little more than they are for fire facilities.

The problems involved in taking on

new lines are likely in themselves to enforce a gradual extension of each kind of company into the other's field. For example, one of the simplest and most logical packages is automobile full cover. Yet even here companies have not found the going easy. The fire company planning to write the casualty side must join the assigned risk pools over the country. The casualty companies have their own staff adjusters, and many of them are insisting upon developing material damage adjusters when they move into the material damage field. If it is a combination group, for the most part the fire companies have used independent or company organization adjustment bureau men to do this work. In either case the company must keep additional statistics which means more personnel and machines, both of which are sometimes hard to develop or get.

Shortage of Casualty Personnel

There is still a shortage of trained and experienced casualty personnel, starting with the war and continued by the big post war increase in volume. It will be extended by multiple line underwriting. The nature of the obligation means more care in casualty underwriting than in fire, a thorough exploration of the history of a concern, particularly in surety, fidelity, workmen's compensation. Fire field men often authorize acceptance of business in the field. This is not the general practice in the casualty business. There have been some disasters as the result of inexpert or careless underwriting in the casualty business.

Some Mistakes to Be Made

Casualty executives think fire companies are going to make some mistakes, some of them, that casualty companies have paid for in the past—either by succumbing or by paying and then surviving, as many of them have.

Thus the shortage of personnel is one thing that will slow down the fire companies. The other day a fire company executive took on a casualty man so that he can work with some of the fire company personnel in the way of training and imparting his experience. The chief executive of another fire group had a leading figure in the casualty field to lunch not long ago to discuss the prospects of good casualty personnel.

A logical development would be to put the dwelling coverages in one contract. There is already a combination of comprehensive personal liability and the automobile policy. But even if only the dwelling coverages were under one cover—O. L. & T., glass, burglary, water damage, fire and extended coverage, rents, etc.—there would be quite an appeal to it. The policy would cover those items for which a premium is shown.

However, so far the packaging of several lines in this field has consisted of patching them together and the result has been cumbersome. There was actually nothing different. The coverages simply were collected in one place. Some executives envision a streamlining which would actually produce package coverage differing from the sum total of the separate coverages. It would be new, not just a sum of the individual items. Then it would be possible perhaps to offer a price differential. The insured would get a package of six policies for a lesser amount than the total of the prices for six bought separately. Why should there be six minimum premiums, for example? At present the O. L. & T. in a package is the same

(CONTINUED ON PAGE 12)

Far West Agents Take to Fence on Commission Issue

Will Take No Action
Until Local Bodies Have
Chance at Full Debate

By LEVERING CARTWRIGHT

SAN FRANCISCO—Far West Agents Conference at its annual meeting here Monday afternoon voted five to three to go into a neutral corner on the absorbing question of whether to authorize National Assn. of Insurance Agents to discuss or negotiate with company people commission scales that are to be mortised into the gross rate. On a motion by A. E. Shepperd of San Jose, president of the California association, it voted to take no action in the way of instructing the national group on



R. D. Callister



E. E. Hayden

this matter in view of the fact that the individual association memberships have not had time to concentrate on the problem since Attorney General Goldstein of New York held that the casualty acquisition cost conferences are violative of the state and federal anti-trust laws. California, Montana, Oregon, Utah and Washington voted aye, while Arizona, Idaho and Nevada voted no.

The fact that this neutral position constituted the formal action does not mean that the issue was treated lightly at the meeting. The discussion was animated and penetrating, but the official representatives felt that they lacked authority or even a consensus on the part of their constituents to move

NEW OFFICERS ELECTED

Chairman—C. M. Putnam, Oakland.
Vice-chairman—Ralph D. Callister, Salt Lake.
Secretary—E. E. Hayden, Oakland.

positively in either direction at this juncture.

The discussion was especially pointed because Charles P. Butler, the new N.A.I.A. executive vice-president, was injected into it. He had entered the room as an observer and had not wanted to be called on because he wanted the message that he delivered later in the week before the National Board of State Directors to be his maiden appearance before an N.A.I.A. assemblage.

However, Kenneth Nehring of Tucson, chairman of the far west group and a member of the N.A.I.A. executive committee, called on Mr. Butler. Thus his initial appearance had to be entirely

(CONTINUED ON PAGE 14)

Sackett Heads Rocky Mountain Agents Body

The first Rocky Mountain territorial conference of National Assn. of Insurance Agents was conducted at Colorado Springs last week with an attendance well above 200. The crowd was considerably above expectations.

Paul S. Sackett, Albuquerque, president of the New Mexico association, was elected chairman of the conference succeeding Ralph Austin of LaJunta, Colo. J. M. Christensen, Laramie, Wyo., is vice-chairman and Foster L. Fritche, Colorado Springs, is secretary-treasurer.

The meeting was led off with a series of panel discussions on regional insurance problems with Charles W. Schoelzel of Denver as moderator. James H. Russell, Santa Fe, N. M., discussed modern insurance surveys, and M. D. Jenkins, Sheridan, Wyo., spoke on "Auto Insurance Trends." Dean A. Stone, Denver, in a discussion of "Agent Education" observed that agents should make use of educational facilities and learn the answers to their clients' problems.

Only 10% of insurance is sold on a price competition basis while 90% can be sold on a basis of service, Leonard J. Miller, state agent of American, said in discussing mutual competition. Mr. Miller said that when he was affiliated with the mutuals he did not bother to compete with active agents.

R. H. Stebbins Speaks

The first morning session was closed by Ray H. Stebbins, Cobb & Stebbins general agency of Denver, who talked on capacity. Mr. Stebbins said that too many favorable risks are being placed with companies that offer only limited classifications.

Reports on their states were given by Commissioners Kavanaugh of Colorado and Apodaca of New Mexico. Mr. Kavanaugh, in his discussion of "New Agent Qualification Trends" implied that he is not personally concerned over trying to enforce any licensing examinations. He stated that more funds will be necessary to take care of the increased legislation being asked, and he criticized the third party claims that require so much of the time of his office for investigation.

Mr. Apodaca outlined the background of the supreme court S.E.U.A. decision and discussed legislation in his state.

The Wyoming report was given by Guy W. Engle, state national director, who told of the importance of office procedure being properly handled.

Walter M. Sheldon, Chicago, a member of the N.A.I.A. executive committee, was speaker at the luncheon meeting. His address is reported elsewhere.

The afternoon talks were given by Roy A. Duffus, Rochester, N. Y., who told in an entertaining fashion "How to Be a Better Agent." He especially stressed that agents advise their companies of the screening out of risks that they handle themselves, so that the company will know that they are really on the job. He also described his personal office procedures and handed out samples of his forms, letters, etc. C. P. Cunningham, assistant underwriting superintendent for Zurich, closed the program with his talk on the small risk problem in workmen's compensation, which is reported elsewhere.

Banquet Free of Speeches

Mr. Austin was chairman at the banquet and introduced the guests. No speeches were given.

A breakfast session of two hours' duration opened the second day, Howell Earnest, New Mexico state director, presided. At the formal program, Mr. Christensen was moderator for a group of Colorado Springs men that dramatized the activities of a local board. Talks

Travelers Has Entire Line on Effingham Hospital Disaster

Travelers had the entire insurance line on St. Anthony's hospital at Effingham, Ill., that was totally destroyed by a fire Monday night in which it is thought 69 adults and babies perished, and many more were severely burned.

The tragedy was the second worst in hospital history. In 1929 at Cleveland a hospital burned killing 125 persons.

The fire was first discovered by a nurse at 11:30 p. m. in a laundry chute. Flames spread rapidly despite efforts of the fire departments of Effingham and nearby towns, and burned through the interior. The roof and all ceilings collapsed leaving only the outer walls standing. Fire fighting efforts were hampered by low water pressure.

Insurance on the building was \$308,000 and there was \$20,000 on contents. The business was written by the John Lanphier & Co. agency of Springfield. Travelers had 40% of the line; 30% with National of Hartford; 15% with Phoenix of Hartford, and 15% with L. &

L. & G. Travelers had \$300,000 primary public liability and the excess of \$200,000 was with Employers Reinsurance. The Lanphier agency attempted to secure higher P. L. limits, but found the market was too restricted.

The workmen's compensation also was with Travelers. Three employees were killed. Two Catholic sisters who died are not covered by workmen's compensation since they are not considered employees.

The building was 62 years old of brick construction, 2½ stories high with a composition roof.

Of the 69 persons believed persons killed, 57 were adults. Eleven new born infants were burned to death in the baby ward. One child was born dead. It is estimated there were 112 people in the hospital when the fire started.

Travelers Fire is inaugurating adjustment, but it is thought that Western Adjustment will assist because of the size of the loss.

Auto Rate Situation Big Topic on Coast

SAN FRANCISCO—At the far west agents conference meeting here this week much discussion centered about the automobile rate situation and its competitive aspects. Several leaders reported that they are already feeling the bite of the rate reductions accompanied by prominent advertising of State Farm Mutual and Farmers Auto of California and to some extent the multiple classification plan of Allstate.

It was agreed that discussions should be held with the automobile rating bureaus to see what could be done about accelerating the collating of experience and new rate filings. It was reported that National Automobile Underwriters Assn. had earlier adopted a program of rate reductions and there was some surmise that the special meeting of N. A. U. A. at New York this week may have been called to consider a proposal to make even deeper cuts.

Nevada Bills Signed

The Nevada governor has signed a measure creating a five-man state finance board to supervise the purchase of insurance by the state. In the past this activity has been under the state comptroller.

Another new law creates a new office of insurance deputy under the state comptroller with a salary of \$4,800. At present insurance supervision has been sketchy with inadequate funds and salaries. J. P. Donovan is the comptroller and G. C. Osborn the insurance deputy under the old setup.

Effective date of the newly enacted automobile financial responsibility law of the modern uniform type is Sept. 1.

Veto W. Va. Tax Changes

The governor of West Virginia has vetoed the bills which would have complicated the fire insurance premium tax allocation in the state by providing that the 2% tax be paid either to the pension fund of paid fire departments or to an equipment fund of volunteer fire departments. The premium tax will, therefore, be paid as usual and go into the general fund of the state.

were given by Charles H. Jones, Interstate Agency, Denver, on "Rating the Risk," and Norman V. Hohn, Denver, on "Analysis of N.A.I.A. Agency Cost Surveys."

Closing addresses were given by Messrs. Sheldon, Duffus and Austin.

The ladies enjoyed special luncheons and sightseeing trips extending throughout the program.

John Even Is New Head of Underwriters Service

John T. Even, assistant manager of Fireman's Fund, is the new president of Underwriters Service Assn. He was elected at the annual meeting last week at Chicago to succeed E. G. Frazier, Springfield F. & M., who served for three years.

The new vice-president is H. W. LaRue, America Fore, and secretary-treasurer is W. G. Bayliss, Aetna. Mr.



J. T. EVEN

Frazier was elected to the executive committee to fill out Mr. LaRue's unexpired term, and G. C. Peterson, Royal, and E. R. Sanborn, Great American, were reelected to the committee. George V. Whitford, Fire Assn., is the fourth committee member.

Manager of U.S.A. is Peter Eriksen. In his report, Mr. Erickson stated that 1948 was a good year with a considerably improved loss ratio.

Pearl-American Promotes Five to Officer Rank

Pearl-American group has named D. A. Barry, B. B. Weaver and B. J. Oswald assistant vice-presidents; A. T. Chisholm, A. T. Herkness, assistant secretaries.

Mr. Barry is manager of the Pacific Coast department. Mr. Weaver is manager of the middle and southeastern departments and Mr. Oswald is underwriting secretary. Mr. Herkness is associate manager of the middle and southeastern departments.

Gopher Club Plans Clinic

The Gopher 1752 Club will hold a clinic at Rochester, Minn., April 7. Speakers will include Paul M. Darling, Iowa Mutual; R.F. Lehman, St. Paul Mutual, and Samuel Taylor, West Bend Mutual.

Stock, Mutual Men Oppose Harrington's Fire Policy Bill

BOSTON—Representatives of both stock and mutual fire companies appeared before the Massachusetts insurance legislative committee in strong opposition to a bill proposed by Commissioner Harrington calling for a revision of the standard fire policy of Massachusetts.

President D. C. Bowersock of the Boston, Edward D. Sirois for Massachusetts mutuals, Benjamin P. Priest of Insurance Federation of Massachusetts and Charles L. Powers of Travelers, all declared themselves in favor of a revision of insurance laws affecting the standard fire policy, but declared the bill presented by the commissioner would only add chaos to the present confusion. They said the commissioner had never consulted any of the companies and that his conclusions were based, so far as known, merely on consultation with agents' organizations and banking interests.

Wouldn't Bring Uniformity

Mr. Priest brought out that the bill had reference to some five or six sections of the insurance law which are no longer in effect. It was contended that the proposed new standard form would in reality create individual policy forms for all companies, subject to the commissioner's approval, rather than establishing a single standard form.

Mr. Bowersock said that in his haste to prepare a new law the commissioner had made grievous errors and that if a sound approach to the problem was desired it would be better to get the reaction of the industry first, as a matter of common decency.

Opponents held that adoption of the New York standard form, now in use in 43 states, was much to be preferred.

Would OK Repair, Replace Cover in Michigan

Six insurance bills have been favorably reported from committee in the Michigan house.

One measure would permit attachment of endorsements to standard fire policies providing for repair and replace coverage at an extra premium. Another authorized riders on fire policies at extra premium to cover business suspension insurance, with benefits gauged by average business over the previous 12 months.

A two year incontestability clause for A. & H., and a bill permitting the commissioner to authorize writing of discretionary groups not necessarily embodying the employer-employee organizational relationship also have reached the house floor. Another bill favorably reported would permit writing of blanket A. & H. for such groups as boys camps, school bus passengers, etc.

A new bill has been introduced in the house to permit use of unauthorized reinsurance facilities if each treaty is specifically approved by the commissioner.

Consider Fire Waste Awards

WASHINGTON—Judges in the national fire waste contest began their work Monday at the U. S. Chamber of Commerce of considering entries to make awards in the contest. Judges are Percy Bugbee, manager National Fire Protection Assn.; Eugene Arms, general manager Mutual Fire Prevention Bureau; Calvin G. Lauber, assistant chief engineer of National Board.

Announcement of awards was expected to be made late in the week.

Schumacher Licensing Chief

Woodrow W. Schumacher is now chief of the licensing section of the Texas fire insurance department. He succeeds Albert Boggess.

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America Fore National Advertising backs up The America Fore Agent by stressing his importance and the strength and integrity of the companies he represents.

For Sound Protection

America Fore

★ INSURANCE GROUP ★

Look for This Seal

★ on Your Policies ★

WHEN your agent or broker delivers a policy bearing the America Fore seal and company trademark, he is providing you with the soundest insurance protection in the world.

Throughout wars, depressions and disasters, the five companies comprising the America Fore Insurance Group have paid out more than one billion five hundred million dollars, meeting all just claims, promptly and in full.

Operated under the same conservative management—the five companies of the America Fore Group write practically all kinds of insurance (except life) here at home and abroad.

There is only one kind of insurance to buy—THE BEST.

For the name of a nearby America Fore Agent, call Western Union by number and ask for Operator 25.

THESE FIVE COMPANIES COMPOSE THE AMERICA FORE INSURANCE GROUP

*THE CONTINENTAL INSURANCE COMPANY	Assets.....\$186,463,232.90
Liabilities.....75,642,146.35	
Policyholders' Surplus.....110,821,086.55	
*FIDELITY-PHENIX FIRE INSURANCE COMPANY	Assets.....\$153,484,414.96
Liabilities.....62,519,671.32	
Policyholders' Surplus.....90,964,743.64	
*NIAGARA FIRE INSURANCE COMPANY	Assets.....\$49,267,370.37
Liabilities.....22,958,726.69	
Policyholders' Surplus.....26,310,643.68	
*AMERICAN EAGLE FIRE INSURANCE COMPANY	Assets.....\$43,103,082.82
Liabilities.....20,498,184.02	
Policyholders' Surplus.....22,604,898.80	
*THE FIDELITY AND CASUALTY COMPANY OF NEW YORK	Assets.....\$112,358,137.80
Liabilities.....25,461,091.46	
Policyholders' Surplus.....86,897,046.34	

STATEMENTS AS OF DECEMBER 31, 1948
BERNARD M. CULVER, Chairman
FRANK A. CHRISTENSEN, President

★
This
advertisement
currently
appearing in
national
magazines

Insurance Men Attend Louis Johnson Luncheon

WASHINGTON—A number of insurance men were among guests at a dinner here celebrating the induction into office as secretary of national defense of Col. Louis Johnson. President Truman and many other officials attended. Guests were limited to personal friends of Col. Johnson. They included William E. Mallalieu, general manager, and J. Raymond Berry, general counsel of National Board; Ray Murphy, general counsel, Harold K. Phillips, director of informa-

tion, and Howard M. Starling, Washington representative of Assn. of Casualty & Surety Companies.

Louis Johnson's law firm has been West Virginia counsel of National Board and A.C.S.C. Insurance friends witnessed the ceremony marking Johnson's taking the oath of office at the Pentagon.

Coast Men to W.U.A. Rally

Representing the Pacific Coast at the meeting of Western Underwriters Assn. at White Sulphur Springs next week will be Frank C. Beazley, Phoenix of Hartford; S. T. Shotwell, North British

& Mercantile, and J. C. Qualmann, Royal-Liverpool. Mr. Shotwell went on to New York in advance to visit his home office while Mr. Beazley and Mr. Qualmann will go to Hartford and New York respectively following the White Sulphur meeting.

N. D. Hail Men to Meet

Field men and adjusters for hail writing companies in North Dakota will meet May 13-14 at the Powers hotel, Fargo. The conference has been set up particularly to deal with adjustment problems.

Apologies to North America for "Ad" Blunder

THE NATIONAL UNDERWRITER is chagrined in having by accident printed in the March 17 edition a page advertisement of Insurance Company of North America, which had appeared originally three years ago and is completely outdated. The message had to do with increasing costs and the necessity of covering the new replacement costs. In view of the current turn in the price structure, the emphasis in the advertisement is obviously not in tune with the current situation and it was naturally embarrassing to the North America to have it appear that this was its conception of the present situation.

The mistake in THE NATIONAL UNDERWRITER office occurred because the two women who were responsible for the advertising production work became seriously ill at the same time. Mrs. Laura Yellowlees, who is head of that department, is still ill and her assistant, Miss Vera Carpenter, died last Thursday. They were the only persons in the office with any familiarity with the routine and detail of that operation. The North America was scheduled that week to run a page advertisement and through a blunder on the part of an inexperienced substitute this old plate that was stored at the printing office was used.

THE NATIONAL UNDERWRITER offers its apologies to the North America and desires to call attention prominently to the fact that a mistake was made.

Revise Kentucky Fire Fund; New State Bonding Program

FRANKFORT, KY. — Complete revision of handling insurance with the state fire and tornado insurance fund and inauguration of a blanket bond program throughout the state government has been announced by Insurance Director Thurman.

The revised fire and tornado setup has resulted in temporary adjustments in values pending reappraisal of all property in accordance with state laws. "Appraisals completed to date show that one building was overinsured in excess of \$1 million above its insurance value while another was underinsured by more than \$2 million," said Mr. Thurman.

Mr. Thurman also pointed to the need for a complete blanket bond program for each department and agency of government to replace all individual bonds except those specifically required by law.

The suggested bonding program would enable the state to secure protection at a minimum price, and the costly handling incident to individual bonds can be largely eliminated.

Give Membership Awards

Awards for the membership drive of Insurance Club of Pittsburgh were given at the March 28 meeting. The speaker on "Recent and Impending Fire and Casualty Developments" was James C. O'Connor, editor of the "Fire, Casualty & Surety Bulletins."

First prize in the membership drive went to Robert D. Bange, special agent of Ohio Farmers. Second award was given to J. E. Hartmann, National Union Indemnity. Paul J. Trimbur, Trimbur general agency, and president of the club, made the presentations. A total of 217 new members was reported and the club now has a roll of nearly 800.

Charlotte Agents Elect

CHARLOTTE, MICH.—Merle Ald has been elected president of Charlotte Assn. of Insurance Agents. He succeeds William Powers, who was named to the executive committee. Vice-president is Donald Huber of Schrader-Huber; secretary-treasurer, Stuart J. Bearup, Charlotte Insurance Agency.

INSURANCE CALENDAR



On April 18, 1775, Paul Revere began his famous midnight ride to warn Lexington-Concord residents that the British were coming... with the result that the Minute Men were ready and waiting for the King's soldiers the

following morning. As much concerned about fire hazards as Revere was about his country's danger, leading fire insurance companies have been warning the public about such hazards for many, many years.

1949 — APRIL hath 30 days.

"Put not your trust in money, but put your money in trust"

- 1—Fr.—All Fools' Day. 1939, U. S. recognized the victorious Franco Government of Spain.
- 2—Sa.—1792, Congress established the Philadelphia mint.
- 3—Su.—Passion Sunday. 1913, U. S. Government recognized the Republic of China.
- 4—M.—Avoid the penalties of shrunken coverage. Have your property insurance reviewed often by your Agent or Broker.
- 5—Tu.—1614, Pocahontas, Indian princess, married John Rolfe, Virginia colonist.
- 6—W.—First Quarter, 8:01 A. M., E. S. T. 1909, Admiral Robert E. Peary discovered the North Pole.
- 7—Th.—1850, Walter Camp, "the father of American football", born.
- 8—Fr.—1777, Vermont denied admission to the Union.
- 9—Sa.—1943, 27,000 tires destroyed in skating rink used for Government storage, Sacramento, Calif.
- 10—Su.—Palm Sunday, 1849, the safety pin invented by Walter Hunt Patent sold for only \$400.
- 11—M.—1814, Napoleon Bonaparte signed his abdication at Fontainebleau.
- 12—Tu.—Full Moon, 11:08 P. M., E. S. T. 1945, President Franklin D. Roosevelt died.
- 13—W.—1869, George Westinghouse received a patent on his famous airbrake.
- 14—Th.—Your Agent or Broker is an expert on property insurance. Review your coverage with him today.
- 15—Fr.—Good Friday, 1912, S.S. Titanic sank, 1,513 lives lost.
- 16—Sa.—1947, Texas City disaster. Property damage estimated at more than \$50,000,000.
- 17—Su.—Easter Sunday, 1933, Embargo against Japan and China.
- 18—M.—1942, Doolittle raid on mainland of Japan.
- 19—Tu.—Last Quarter, 10:27 P. M., E. S. T. 1894, The five Ringling brothers started their circus.
- 20—W.—1889, Birth of Adolf Hitler.
- 21—Th.—1924, Eleonora Duse, famous European actress died of influenza in Pittsburgh, Pa.
- 22—Fr.—1889, Oklahoma opened to homesteaders who lined up on the border for the start of the great land rush.
- 23—Sa.—Make a standing engagement with your Agent or Broker, to review your property insurance regularly.
- 24—Su.—1704, America's first newspaper, the Boston News Letter, published in Boston.
- 25—M.—1599, Oliver Cromwell born. Later became ruler of England.
- 26—Tu.—1564, William Shakespeare baptized in Stratford-on-Avon (exact birth date unknown).
- 27—W.—1944, Military Police took over the Chicago mail order plant of Montgomery Ward Co.
- 28—Th.—New Moon, 3:02 A. M., E. S. T. 1901, Hirohito born.
- 29—Fr.—1429, Joan of Arc led French troops to the successful relief of Orleans.
- 30—Sa.—1939, The New York World's Fair began in Flushing Meadows.

OBSERVATION for April: Despite the fact that many commodity prices have doubled, the insured's dollar today will buy approximately the same amount of fire insurance that it bought in 1939.

PROPERTY INSURANCE
Fire-Auto-Marine-Aviation

FIRE ASSOCIATION GROUP

Fire Association of Philadelphia
The Reliance Insurance Company
PHILADELPHIA



Lumbermen's Insurance Company
Philadelphia National Insurance Company
PENNSYLVANIA

SYMBOL OF SECURITY SINCE 1811

Don't miss the boat(s)



...when looking for new business!

Every year, more and more people are taking to the water for their recreation—and they are all prospects for Yacht, Motorboat and Outboard Motor Insurance.

Prospects for this coverage are not confined to the coastal areas. Pleasure boating has spread across the continent, via the many inland waterway systems developed by the Government. Fresh water sailors have definitely come into their own. Some of the finest yachts afloat come from the Great Lakes area.

Boats do not have to be large to be high in value. A new forty-foot cruiser is in the same price class as a six-room house, and even a twenty-foot runabout costs as much as a new automobile.

Coverage for Yachts, Motorboats and Outboard Motors can be more or less tailored to suit the individual needs—from a few named perils to complete coverage. It is written only after receipt of fully completed forms which should be carefully appraised.

So remember—sailing weather is selling weather. Wherever there is a body of water large enough to float a boat, there are prospects for this coverage. If you need assistance, don't hesitate to call on your local Fire Association Group field representative.

Fire Association Group, 401 Walnut Street, Philadelphia 6, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.

Try these ideas in your local, and direct mail advertising.

HE PLANS FOR SAFETY...



A COMMUNITY is about to receive the plans for its new school . . . a school that will be of the safest possible construction to protect the lives of the children because this community adopted the Building Code of the National Board of Fire Underwriters.

As this architect works, he frequently refers to the code. In his specifications he details the use of materials and building techniques that have been tested and found safe. He follows the rules for ample fire escapes, enclosed stairways, approved beam-loading, fire-resistant roofing and the myriad other items which will make this school, or indeed any structure, a safe building of sound construction, for this is the basic aim of the National Building Code.

Here is a concrete example of how your insurance dollar works for you and for the safety of your community. This safest of all building codes was devised in 1905 and has been improved and kept current through revision by the National Board of Fire Underwriters, an association of the capital stock fire insurance companies of America.

As an active member of the National Board, *The American Insurance Group* emphasizes the strength of its slogan:

Quality Insurance through ever-expanding and ever-improving Quality Protection since 1846.



1846
The American Insurance Group

Newark, New Jersey

The American Insurance Co.
Bankers Indemnity Insurance Co.

The Columbia Fire Insurance Co.
The Jersey Fire Underwriters

Companies Blamed for Multiple Location Tangle

New York Department Shifts Burden—Still Bars Form A, Writing on Binder

NEW YORK—Deputy Superintendent Walter F. Martineau of the New York department has disclaimed responsibility for the inability of producers to place lines requiring use of form A on multiple location risks having five or more locations. At the same time he refused permission sought by Insurance Brokers Assn. of New York to write the business in New York on binders subject to approval of rates for it by the department. He attributed the

present inability to write the business to lack of company action.

Mr. Martineau's letter was in reply to one from George F. Nichols, president of the brokers' association. Mr. Nichols' letter included the following statements:

"You are undoubtedly aware of the bulletin dated March 4, 1949, of the New York Fire Insurance Rating Organization, to the effect that your decision of Jan. 5 withdraws approval, so far as New York is concerned, of general rule 48-A and reporting form A, so far as they relate to risks having five or more locations.

"The result of this bulletin has been that a number of companies have declined to bind insurance within the state on a reporting basis on the ground that they are prohibited by your ruling from doing so. We are quite sure that it has never been the intention of the department to deny to the public the ability to obtain this necessary form of protection. Such is the case. Even the provisional coverage which the public, who are the innocent bystanders in the situation, have been able to obtain up to this point, is now denied and its denial charged to your action.

"The interpretation presently placed upon your ruling by the companies is inconsistent with your general conduct of the proceedings, which has offered

several interim arrangements. We believe that in view of the public's need and of promised further steps in the whole matter, you would not regard it culpable for the companies to bind coverage on a reporting basis at five or more locations, either inter or intrastate, provided that such binders are subject, so far as New York locations are concerned, to rates and conditions which ultimately meet with the approval of the department and provided that such rates and forms are retroactive to the date of the binder.

"We would greatly appreciate confirmation of this belief, at the earliest possible date."

Martineau's Reply

In his reply, Mr. Martineau said, in part:

"Your statement that 'you are undoubtedly aware of the bulletin' is correct although this department was not furnished with such a copy until receipt of your letter.

"I am extremely sorry to hear that producers are having difficulty in placing this business and that as a result the public is suffering from your inability to obtain the necessary form of coverage."

"The fact that they have seen fit to shift the responsibility to this department does not unduly disturb me. Such action is sometimes natural where efforts are made to avoid responsibility in a difficult and embarrassing situation.

"I do not feel that there is any doubt on the part of the companies as to the interpretation of my decision. The decision plainly meant that after the effective date the business could not be written in the absence of a new and acceptable filing and certainly if it could not be written by the actual issuance of a policy, it could not be written upon a binder subject to a legal rate later to be promulgated."

Binder Basis Barred

Regarding the request to write the business on a binder basis, Mr. Martineau said, "So that there will not be any mistake about this let me say very plainly that I certainly would regard it culpable if the companies tried to evade my decision in this manner.

"We do not consider this a suitable interim measure. This department offered several interim measures to the companies such as a refilling of the Conway or McCarl plans with modifications, or any plan with reasonably justifiable credits and debits. While the companies have always been ingenious in the past and demonstrated their ability to meet any situation with which they were confronted, for some reason or other they have not met this problem in a manner that would indicate their willingness to abide by the rating laws which they have supported. They cannot say that they did not have sufficient time as this problem has been confronting them much longer than the 60 days allowed in my decision. Even though they only had 60 days, if they wanted to, they certainly could have come up with an interim measure which would have given the relief that you now say the public is in need of. I do not think that it is necessary for me to labor you with the superintendent's responsibility to allow insurance to be sold only at such rates as conform to the rating law. You are fully cognizant of the statutes and they were written into our laws not for him to ignore but to fulfill.

"Until such time as the companies concerned file with this department a satisfactory plan, temporary or permanent, a small portion of the public will be unable to obtain the desired coverage from those companies. May I again repeat that this is due not to any inaction on our part but lack of action by a sizable portion of the industry whose obligation and public responsibility it really is."

The Leland Smith agency, Decatur, Ind., has bought the C. F. Harber agency at Fort Wayne and will continue it with Harold W. Grant as manager.

Protest Opposition to Col. Qualification Bills

DENVER—Colorado Assn. of Insurance Agents, in convention here, unanimously directed a protest against the activity of Frederic Williams, representing National Board, in opposing house bills 431 and 585 pertaining to agents qualification, now tied up in the rules committee of the Colorado house. Both bills, the agents assert, are in accord with the model licensing law. They requested National Board to confirm support of bills immediately.

Batt in New Position

George H. Batt has been named manager of the fire and casualty department of the Souder agency of Indianapolis. He has been field analyst and consultant of Insurance Audit & Inspection Co., Indianapolis, and formerly was with Jenkins Brothers agency at Richmond and Aetna Casualty at Indianapolis.

Charles S. Drew of W. H. Markham and Co., will head the drive to raise \$150,000 in St. Louis and St. Louis county in April for American Cancer Society.



American Equitable Assurance Company of New York

Organized 1918

Globe & Republic Insurance Company of America

Established 1862

Merchants and Manufacturers Insurance Company of New York

Organized 1849

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| THE CONTINENTAL INSURANCE CO.
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| FIRE ASSOCIATION OF PHILADELPHIA
Philadelphia, Pa. | ST. PAUL FIRE & MARINE INS. CO.
St. Paul, Minn. |
| FIREMAN'S FUND INSURANCE COMPANY
San Francisco, Calif. | UNITED STATES FIRE INSURANCE CO.
New York, N. Y. |
| GLENS FALLS INSURANCE COMPANY
Glens Falls, N. Y. | WESTCHESTER FIRE INSURANCE CO.
New York, N. Y. |
| GREAT AMERICAN INSURANCE COMPANY
New York, N. Y. | |

Casualty Companies

- | | |
|---|---|
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Newark, N. J. | GREAT AMERICAN INDEMNITY COMPANY
New York, N. Y. |
| CENTURY INDEMNITY COMPANY
Hartford, Conn. | HARTFORD ACCIDENT & INDEMNITY CO.
Hartford, Conn. |
| FIDELITY & CASUALTY COMPANY
of New York, N. Y. | THE HOME INDEMNITY COMPANY
New York, N. Y. |
| FIREMAN'S FUND INDEMNITY COMPANY
San Francisco, Calif. | NEW ENGLAND CASUALTY
INSURANCE COMPANY
Springfield, Mass. |
| GLENS FALLS INDEMNITY COMPANY
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COMPLETE INSURANCE COVERAGE IN FOREIGN LANDS

Leonard Peterson Again Heads Allied Lines Assn.

NEW YORK—At the annual meeting of the Allied Lines Assn. here, Leonard Peterson, vice-president of Home, was reelected president. Other officers reelected are J. L. Erhardt, assistant U. S. manager of the Royal-Liverpool group, vice-president; D. G. Stone, secretary of Aetna Casualty, treasurer; and H. C. Klein, secretary of New York Underwriters, secretary.

A. L. Ross, vice-president of Crum & Forster; F. J. Barclay, vice-president of Fire Assn., and J. E. Downey, secretary of Aetna Fire, were elected to

the executive committee for three years.

Sixty-five attended the meeting, including 53 company men representing 119 company members of the association, and several guests. In addition to reports by Mr. Peterson, Mr. Stone and Mr. Klein, Manager W. F. Roembke and the committee chairmen presented reports, and all of these were discussed and accepted.

Ind. Mutual Agents Elect

Mutual Insurance Agents Assn. of Indiana has elected Thomas Boyd, La-Porte, president, and Ray B. Hatch, Kokomo, executive secretary.

MONEY lost by failure to insure, or through a self-insurance fund, represents a loss not only to initial sufferers, but to all firms and individuals dependent upon the uninterrupted operations of a concern for service or business.

Sound insurance protection can best be provided by a careful survey of the policyholders requirements. Agents of the Companies of the Royal Exchange Group are furnished service which assists in making a proper Analysis.



Royal Exchange Group

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PROVIDENT FIRE INSURANCE COMPANY
THE STATE ASSURANCE COMPANY, LTD.
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Washington	Pittsburgh	Minneapolis	Boston
Buffalo	Cleveland	Columbus	Indianapolis
Superior	Duluth	St. Paul	St. Louis
Los Angeles	Phoenix	Seattle	Portland
Vancouver	Montreal	Havana	London

Smaller Business, Dwelling Losses Still Underinsured

Another campaign to get insurance to value undoubtedly would produce excellent results both for insured who is innocently sitting with a potential penalty, coinsurance or otherwise, hanging over his head, and for companies that recognize that premium volume is leveling off.

The need for more insurance to value seems to be particularly true of the many smaller businesses and dwellings. The lack of capacity in recent years applied to the large risk with jumbo values, and today even he is apparently not having any real trouble, or, if he is, it is not a serious problem as it was a year or two ago.

Inexpensive Warnings

But day in and day out, fire company adjusters are settling losses for less than the sound value because of too little insurance. Here are a few, country over, from the files of one loss man who keeps a check on all underinsured losses. A brick dwelling whose sound value was \$15,000 was insured for \$9,000 on an 80% coinsurance base. The loss was \$60 and insured collected \$45. Subsequently, as the result of this inexpensive warning, the company was able to get the agent to bring the insurance up to sound value.

A sand and gravel washing plant was insured under a 90% coinsurance clause. The sound value was \$75,000, insurance \$35,000. The loss was \$353, and insured

collected \$183. Here again the company was able to get the agent to bring insurance up to the sound value. Another case of an inexpensive warning.

A great many losers by underinsurance get a second chance because the loss is small. Here are some others: Brick mercantile and dwelling, 80% coinsurance, value \$12,500, insurance \$7,000, loss \$300, paid \$210. Hat factory, 80% coinsurance, value \$8,000, insurance \$5,000, loss \$1,050, paid \$729. Paper box factory, 90%, value \$75,000, insurance \$62,000, loss \$66,000, collected \$60,766. A printing plant use and occupancy policy, 80% coinsurance, value under item 1 \$69,596 with \$38,000 insurance and value under item 2 \$7,071 with \$4,000 insurance. Loss under item 1 was \$517 and insured was paid \$353, while the loss under item 2 was \$217, and insured was paid \$153.

Other Examples

A dwelling in the middle west, \$32,000 value, \$15,000 insurance, loss \$8,697, no coinsurance, the full loss was paid. A rooming house, value \$18,000, insurance \$12,934, loss \$720, paid \$686. A furniture store and dwelling, building value \$9,000, insurance \$4,000 with 90% coinsurance, loss \$505, paid \$249. The insured contributed \$255. A brick building with 80% coinsurance had a value of \$25,500 and was insured for \$15,000, loss \$650, assured's loss \$172. A brick garage building, no coinsurance, value \$12,000, insurance \$5,000, loss \$8,722, paid \$5,000. A brick mercantile and dwelling, 80% coinsurance, value \$45,000, insurance \$18,000 loss \$700, paid \$350. A dwelling, value \$2,500, insurance \$1,250, loss was total, and insured suffered a \$1,250 penalty.

Excellent Book In I.M. Field

NEW YORK—An interesting and informative book dealing with the legal problems inherent exclusively in inland marine insurance is "Paths and By-Paths in Inland Marine Insurance" by Harold S. Daynard, member of the New York bar and one of the outstanding figures in the adjustment of losses in this field.

In fact, there is no other up to date book on the subject, and Mr. Daynard has produced a useful volume that covers in brief the general principles involved, transportation and bailment, miscellaneous problems arising from specific policies and subrogation.

But more than that he has thoroughly digested his material and organized it in a clear and logical way. Conclusions arise naturally out of illustrations, and examples lead logically to principles. One reason the material captures and holds the attention is the clarity and vigor of the style. The title of the book does not indicate either its exact place in literature of the inland marine business nor its importance in quality as an individual work.

Anyone who is interested in the inland marine field, agents, adjusters, underwriters, lawyers, brokers and large insurance buyers will find a mine of information expertly presented, and it is no chore to read. The book is published by the "Insurance Advocate," 123 William street, New York 7, N. Y., and sells for \$6.75.

Hilton Addresses School

H. E. Hilton, executive director of National Automatic Sprinkler & Fire Control Assn., told those attending the annual fire school of the Pittsburgh chamber of commerce, that when a fire destroys a \$500,000 establishment it is top news, but if \$5 million in property is saved as a result of a fire school, little attention is given to this planning. He said that the nation cannot meet its national defense problem when it allows fires to burn \$700 million worth of American factories annually.

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206 Sansome St., San Francisco 4, Calif.

Canadian Departments: 465 Bay Street, Toronto 2, Ontario
535 Homer Street, Vancouver, B. C.

Owners of Home in Annual Meeting

One Stockholder Provides Diversion; Lincoln Elected Director

NEW YORK—A reduction in the number of directors from 33 to 26; a reduction in the capital stock from 4,004,000 shares to an even 4 million, and election of Leroy A. Lincoln, president of Metropolitan Life, as a director, were accomplished at the annual stockholders meeting of Home. Members of the press were invited guests.

The telephone line to Albany was kept open while stockholders voted the reduction in directors, since this change had to be recorded with the state insurance department before the stockholders could proceed with the election of the

director. Allowance has been made for 33 directors, during the merger of Home affiliates last year, but only 26 posts were filled.

The reduction of stock reduces capital by \$13,595 and brings this item out to an even \$20 million. The difference is added to surplus.

Harold V. Smith, president, who presided at the meeting, told the stockholders that the merger into Home of its 10 former affiliates, accomplished last year, already has demonstrated its practical success. This is in part reflected in last year's accomplishments, which included:

Net written premiums of \$134,747,715, increase 17%, and earned premiums of \$132,335,796, increase 31%, the largest of any American property insurer.

Incurred to Earned Ratio

Ratio of losses incurred to premiums earned of 51.1% compared with 56.6% in 1947. Ratio of expenses and taxes to premiums written of 41.9% compared

with 38.7%. The two ratios totalled 93% compared with 95.3% in 1947, a gain of 2.3%.

Net investment income after taxes increased from \$4,514,824 in 1947 to \$6,278,787 in 1948. Net underwriting profit in 1948 amounted to \$8,242,296 compared with \$121,693 in 1947.

The net addition to surplus was \$22,141,432 and total admitted assets increased \$91,348,781 to \$285,245,438.

Mr. Smith and other officers have just completed three regional meetings covering all field services in the U. S. at which the business of the company and its development aim were discussed.

Smith Proves Capable Chairman

Something was added to the telephone bill to Albany when James Fuller, a stockholder who likes to ask questions at stockholder meetings, brought up several points. He referred to the fact that there are 47,000 stockholders but only a few were on hand. He expressed his opinion that there was too much "Smith, Smith, Smith," in the annual report, and that the directors and other officers of the company were relegated to the back page.

Throughout the interchange Mr. Smith was patient but firm. He answered Mr. Fuller's sallies with ability and good humor. For example, Mr. Fuller wondered why there wasn't a female director on the board. Mr. Smith said it would be hard to select one from among the many lady stockholders of Home to fill that kind of post. He added that when it becomes a custom to have women directors, Home's directors will give the matter study.

Other Suggestions

"Do you object to a woman director?" Mr. Fuller pursued. Mr. Smith replied that he would object so long as the company is able to get the kind of men to serve as directors it now has on its board.

In discussing the accomplishments of the past year, Mr. Smith pointed out that the company has 90 odd per cent as many agents as it had before the merger. The trend of fire losses is down in amount and higher in number, he said. John A. Stevenson, president of Penn Mutual Life, was re-elected a director.

Few Insurance Bills in Minn.

Both houses of the Minnesota legislature have recommended passage of a bill making fire losses caused by riot or civil commotions compensable under the Minnesota standard fire policy. Such losses are not now covered.

A last minute bill has been introduced to relieve owners of parking lots, garages, and filling stations of liability for any theft of cars or from cars of their customers. Passage is considered doubtful.

Little insurance legislation is deemed likely in the state. Only two bills have passed both houses and the house insurance committee has held its last meeting. The senate committee has but one more.

Awaiting signature of the governor is a bill revising annual statements to conform with standards established by National Assn. of Insurance Commissioners and giving the commissioner the right to require any information he sees fit to ask. Another department bill that has passed enlarges the scope of investment for domestic fire and casualty companies.

West Philadelphia Speaker

Oscar H. West, Washington representative of National Assn. of Insurance agents, will address Insurance Agents & Brokers Assn. of Philadelphia at a luncheon April 14.

No Assigned Risk Extension

A bill that would have enabled automobile owners to secure fire, theft and collision in the assigned risk plan lost out in the closing hours of the New York legislature.

A bill was passed to put private workmen's compensation insurers on a parity with the state fund by exempting employers insuring in private insurers from liability in case their insurers go broke.

No Bar to Mixed Agencies

Mrs. Ann Barker of Fort Worth was confirmed as president of Federation of Insurance Women of Texas at an executive board meeting at Fort Worth, and the resignation of the Insurance Women of Waco was accepted. Mrs. Barker's eligibility to serve as president of the federation had been questioned by the Waco club owing to her connection with an agency that represents mutual as well as stock companies. It was decided that there is nothing in the constitution of the federation nor that of the National association to exclude those associated with "mixed" agencies.

Mrs. Vesta Sutherland of Amarillo, recording secretary, resigned, and Mrs. Vina Meier, also of Amarillo, was elected to succeed her. Miss Natalie Owen, Galveston, presented a resume of plans for the annual convention there Oct. 14-15.



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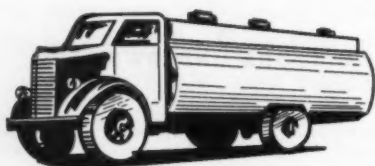
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N. P. Parkinson Now V.-P. of Illinois Bankers Life

Nellis P. Parkinson of Decatur, who completed his term as director of the Illinois department in January, has joined Illinois Bankers Life as a vice-president, following a two-month vacation in the south and west.

Mr. Parkinson entered the Illinois department in 1941. He served as assistant director and later as chief deputy. He became acting director in 1944 and in 1945 was appointed director.

During his eight years in the department he served in the National Assn. of Insurance Commissioners as secretary in 1946, was on the executive committee for four years, and on committees, including the valuation of securities, casualty, blanks, life, and A. & H. As a member of the A. & H. committee he participated in the development, in cooperation with a committee from the industry, of the "Official Guide."

It was during his term as director, following enactment of public law 15, that legislation was drafted and enacted in Illinois for the regulation of fire and casualty rates in accordance with the plan developed jointly by N.A.I.C.

For 17 years before entering the department he served as district agent in Decatur for Mutual Benefit Life. He is a veteran of the first war.

Newton Board Elects

Newton (Kan.) Insurance Board has elected Pat R. Hogan, Central Securities Agency, as president, succeeding Richard W. Oliver; Darwin Minnis, Regier agency, vice-president, and Byron R. Brittain, Ben H. Northcott, Jr., agency, secretary.

Md. Mutuals Elect Gorsuch

George E. Gorsuch, Mutual Fire of Chesterton, was elected president of Maryland Assn. of Mutual Insurance Companies at the annual meeting at Baltimore. Robert W. Allnutt, Jr., Hartford Mutual of Bel Air, is vice-president, and Paul D. Horst, Brethren Mutual Fire, is secretary-treasurer.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, April 4, 1949

	Div.	Bid	Asked
Aetna Casualty	3.00	83	85
Aetna Fire	1.80*	59	54 1/2
Aetna Life	2.50*	58	60
American Alliance	1.10*	23 1/2	25
American Auto	1.60	46	48
American Casualty .....	.80	13	14
American (N. J.) .....	.70	17 1/2	18
American Surety	2.50	61	63
Boston	2.40	68	70
Camden Fire	1.00	21 1/2	22 1/2
Continental Casualty	2.00	55	56
Fire Association	2.50	63	65
Fireman's Fund	2.60	79 1/2	81
Firemen's (N. J.) .....	.50	16	17
Glens Falls	2.00*	48 1/2	50
Globe & Republic .....	.50	10 1/2	11 1/2
Great Amer. Fire	1.30*	33	34 1/2
Hanover Fire	1.40	31	32 1/2
Hartford Fire	2.50*	125	127
Home (N. Y.)	1.30	29	30
Ins. Co. of North Am.	3.50*	109	111
Maryland Casualty .....	.50	15	16
Mass. Bonding	1.80	27	28 1/2
Merchants Fire N. Y.	1.15*	28	29
National Casualty	1.45*	26 1/2	27 1/2
National Fire	2.00	54	56
New Amsterdam Cas.	1.20	30 1/2	32
New Hampshire	2.00	42	45
North River	1.00*	25	26
Ohio Casualty	1.00	49	Bid
Phoenix, Conn.	2.00*	87	89
Preferred Accident .....	...	3 1/4	4 1/4
Prov. Wash.	1.40*	34	35 1/2
St. Paul F. & M.	2.25*	86 1/2	88
Security, Conn.	1.40	34 1/2	35 1/2
Springfield F. & M.	1.90	46	48
Standard Accident	1.45	34	35
Travelers	22.00*	680	690
U. S. F. & G.	2.00*	53 1/2	55
U. S. Fire	2.00	57	59

*Includes extras.

TDB Picture in New York Complex but Interesting

"Passage of disability benefits legislation in New York creates a tremendous job for group insurers with the competitive picture very complicated," Henry S. Beers, vice-president of Aetna Life, told the life managers' division of the Insurance Brokers Assn. of New York.

"So far," he said, "group companies have written most of the coverage in the other states but now the workmen's compensation companies will jump in. The volume of business is so great that

the staff of all carriers will be heavily taxed.

"Some employers will adopt a minimum course and drift to the state fund but others will take advantage of the law to make great steps forward in the employee relations field. The latter group will buy group life, hospitalization, surgical and dependent surgical, etc. The amount of this by-product business in New Jersey and California was gratifying."

Referring briefly to some producer criticism of group sales efforts, he said that most sales efforts made by the

group carriers have been the result of producers' or buyers' request. Trying to do what the buyers request is what the insurance business is for, he said.

The other speaker on the program was Carol M. Shanks, president of Prudential. George Nichols, president of Insurance Brokers Assn. of New York, was chairman.

The insurance school of Austin (Tex.) Assn. of Insurance Agents closed with a lecture on salesmanship by Robert L. Crate, sales manager for Hodell & Co., Houston.

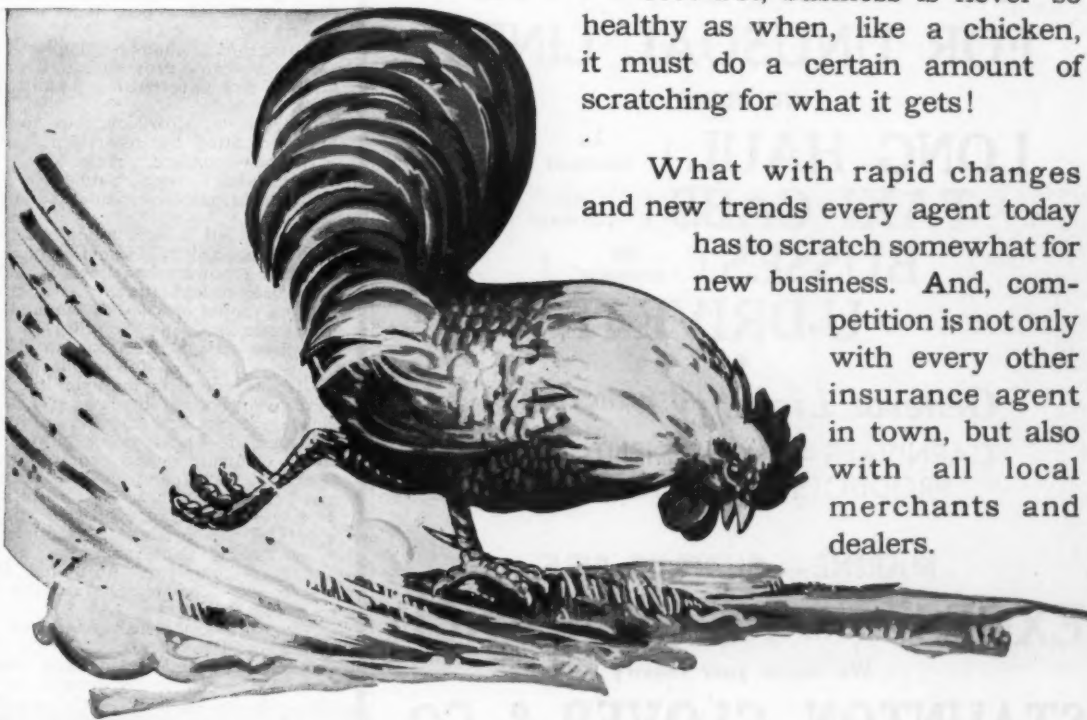
TIME TO SCRATCH???

Nation's Business reports: "There are signs of rapidly sharpening competition for consumers' dollars."

.... Yet, business is never so healthy as when, like a chicken, it must do a certain amount of scratching for what it gets!

What with rapid changes and new trends every agent today has to scratch somewhat for new business. And, com-

petition is not only with every other insurance agent in town, but also with all local merchants and dealers.



In that direction, our Advertising Department can be of worthwhile assistance in formulating *competitive* advertising plans. Simply write in. Agents are assured of helpful advice and wholehearted cooperation.

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Impact of Multiple Powers Assayed

(CONTINUED FROM PAGE 1)

cover as in a separate policy and the price can't be cut because it is discriminatory to do so.

As competition grows, something like this is likely.

Responsible companies are not going to start grabbing business on the other side of the fence. They are going to proceed cautiously, but they can be expected to protect their business, or be in a position to get business.

One of the key notions back of the multiple line underwriting idea was a comprehensive, one-package coverage. The idea still has a lot of appeal, but there has been some cooling off on the "all risk" part of it, partly as a result of unsatisfactory experience with the personal property floater (and possibly with the residence burglary form). The

all risk idea seems to have fostered claim mindedness, and there is now a trend back to specification of perils. One reason is the difficulty (as with the potentially catastrophic hazards of atomic dust) to think of all possible future contingencies and put them into the exceptions. It is possible to be specific on items covered.

Twenty-nine states and the District of Columbia now have laws granting domestic insurers complete underwriting powers. This includes Maine, which just put the law on its books. Seven states have complete multiple powers bills before them for action, including the key states of New York, with its Appleton rule and Pennsylvania.

The score as of the end of the year is shown below with notations on bills

being considered this year or bills already enacted since the end of last year. The notation "Auto" and/or "PPF" means a company may write full cover automobile and a casualty insurer may write the personal property floater without qualifying for the complete powers.

Alabama—complete multiple powers. Auto and PPF.

Alaska—complete. Auto.

Arizona—permits casualty companies to write PPF, by ruling. (Amendments in H.84 at the present legislature do not materially alter underwriting powers of companies.)

Arkansas—full auto and aircraft. The statute (sections 30-40 of the insurance law) seems to authorize complete powers, but the department does not permit them.

California—complete. Auto and aircraft and PPF.

Colorado—complete. PPF.

Connecticut—a casualty company may write PPF under department ruling. Commissioner has discretionary power. Full cover automobile and aircraft is permitted.

Delaware—no provision, but commissioner has discretionary power. Full cover auto and aircraft plus casualty writing of PPF is permitted. (Legislature now has bill to provide for complete powers.)

District of Columbia—complete.

Florida—no provision. Complete multiple line underwriting permitted by department.

Georgia—no provision, but multiple lines permitted by department. PPF.

Hawaii—complete. Auto.

Idaho—full cover automobile and PPF by casualty companies authorized by law.

Illinois—full cover automobile and PPF authorized by law. (Complete underwriting powers contained in H.B.94 now before legislature. A minimum paid up capital of \$500,000 required plus initial surplus of 50% of this.)

Indiana—complete. Auto and PPF.

Iowa—full cover automobile and aircraft plus complete multiple line reinsurance authorized by law. (H.B. 550 before present legislature would authorize complete underwriting powers and would eliminate requirement of \$1 million policyholder surplus to transact multiple line reinsurance, substituting a provision requiring \$500,000 policyholder surplus to transact multiple line insurance and reinsurance.)

Kansas—complete. Auto and PPF.

Kentucky—complete. Auto and aircraft and PPF.

Louisiana—complete. Auto and aircraft and PPF, the latter by department ruling. (A bill signed by the governor would add a section permitting out of state, fire, marine, casualty and surety companies to reinsure risks of all kinds and to write directly all lines if maintaining a policyholder surplus not less than that required by companies by statute or regulation in state of incorporation.)

Maryland—complete. Auto and aircraft and PPF.

Massachusetts—complete. Auto and aircraft forbidden without qualifying for complete powers. PPF.

Michigan—complete. Auto and aircraft and PPF.

Minnesota—complete. Auto and PPF. (H.B. 799 in this legislature would make some changes. These would not basically alter the powers, but clarify the law. For example, insurance against loss or damage by water or other fluid or substance would be added to the section relating to burglary, valuable papers and the PPF. The paragraph referring to malpractice insurance would be deleted and one substituted authorizing elevator insurance. Another change would include title insurance as one of the kinds companies with policyholder surplus of \$750,000 may write.)

Mississippi—complete. PPF.

Missouri—complete.

Montana—complete. By a ruling of the attorney general, full cover automobile is permitted.

Nebraska—full cover auto and the

PPF by casualty companies. (A bill is passed and is now law permitting combination policies that include all casualty lines except credit or title insurance in a single policy. This appears to make Nebraska's law a full multiple power statute.)

Nevada—full cover automobile and aircraft. A casualty company may not write the PPF. (H.B. 33 in this legislature would permit the PPF by casualty companies.)

New Hampshire—complete. Auto.

New Jersey—complete.

New Mexico—full cover automobile and aircraft and PPF by casualty companies.

New York—full cover auto and aircraft, PPF by casualty companies, reinsurance of all risks other than life, complete multiple lines outside the U. S. (The full powers bill is expected to be signed by the governor and become law.)

North Carolina—complete. Auto and aircraft and PPF.

North Dakota—complete. Auto and PPF.

Ohio—full cover auto by ruling of attorney general. (S.B. 174 would authorize full underwriting with capital of \$450,000 and paid surplus of \$100,000.)

Oklahoma—full cover auto. (H.B. 342 would provide complete powers with capital of \$250,000, or, if the lines include fidelity and surety, combined capital and surplus of \$350,000.)

Oregon—complete.

Pennsylvania—PPF by casualty companies. Reinsurance of all risks other than life. Complete powers outside U. S. (Stock companies would be permitted under H.B. 461 to write everything but life or title. This bill is expected to pass.)

Rhode Island—department permits multiple lines subject to reciprocity.

South Carolina—department permits full cover auto and aircraft and the PPF by casualty companies.

South Dakota—full cover auto and aircraft, PPF by casualty companies under department ruling. The department does not permit complete powers.

Tennessee—complete. Auto and aircraft and PPF, subject to departmental conditions.

Texas—complete. PPF.

Utah—complete. Auto and aircraft and "insurance on personal effects."

Vermont—complete. Auto and PPF. (H.B. 218 in the present legislature

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(A bill is being introduced in the Virginia legislature to amend the retail law to cover multiple line authority.)

Virginia—complete. PPF if company license is returned to department for amendment to include this power.

Washington—complete. Auto and aircraft and PPF.

West Virginia—multiple lines permitted subject to conditions established by department. (S.B. 85 in this legislature would permit fire companies to write auto casualty; heretofore casualty companies were permitted to write auto fire.)

Wisconsin—full cover auto and aircraft, PPF, complete multiple line reinsurance. Statute seems to authorize complete multiple powers but department does not permit this.

Wyoming—full cover auto and aircraft and PPF, the latter by department ruling.

Buyer Laments Delays in Multiple Underwriting Field

More effective leadership in hastening insurance progress is one of the greatest needs of the companies at present, according to L. M. Van Deusen, insurance manager of California & Hawaiian Sugar Refining Corp., who addressed the far west territorial conference of National Assn. of Insurance Agents this week. Particularly in the field of multiple line underwriting is a need for progress towards the type of policy that will protect both known and unknown hazards excepting only those that the buyer might elect to exclude, he said.

Mr. Van Deusen spoke at the first panel of buyers at the San Francisco gathering.

Those who want to retain the status quo and require buyers to continue calling each one of their shots separately in advance, sometimes object that there is no demand for multiple line underwriting, but he pointed out that there was no demand for air mail service before the airplane was invented.

As an example of the buyers dilemma, Mr. Van Deusen mentioned the hazard of explosion. That might be a fire risk, a marine risk, a casualty risk, a war risk or a strike risk, or it may be excluded from all and not be an explosion but merely radioactive force.

Mr. Van Deusen expressed gratification that the conference had been slanted towards the buyer's viewpoint, rather than the customary introspective examination. The buyer is seldom organized for collective effort, so he generally takes what the companies have to offer whether it fits his exposure or not. The alternative is to go uninsured, and instead of insurance following the risk, the risk has to be altered to fit the insurance. That way the tail wags the dog.

Mr. Van Deusen expressed objection to mandatory forms, mentioning that the buyer finds that fire policies cannot be written with a deductible, but earthquake cannot be written without one. The fire companies shy away from business interruption insurance on a valued basis, but boiler underwriters insist on the valued form.

Buyers don't like compulsion in a system of free enterprise, Mr. Van Deusen declared. They want freedom for buyers, not just for sellers in negotiating the insurance contract. The buyer, who pays the premium, is one of the parties to the contract, and being a realist wants to know whose freedom he is fighting for.

Myers in Charge of L.M. For Commercial Union

Secretary W. E. Myers of the Commercial Union group will now devote his entire time to the general supervision of inland marine business country-wide.

C. A. Lambrecht, associated with Mr. Myers for 12 years, has been appointed assistant secretary and will have charge of the inland marine business reporting to the home office in New York.

Queen City Fire Elects Guthunz as President

Queen City Fire has named D. P. Lemen chairman and Henry Guthunz president. Added to the executive staff are R. B. McNamee, executive vice-president; R. B. Angell, treasurer, and



Henry Guthunz



D. P. Lemen

Ned C. Norell, assistant treasurer. H. L. Stanley and W. W. Baker remain vice-presidents.

Mr. Guthunz is president of Anchor Casualty and principal stockholder of Queen City Fire. Mr. Lemen has been president of Queen City. Mr. Angell is treasurer of Anchor Casualty.

Mutual "Ad" Men Hold Two-Day Meeting at Buffalo

Timidity in making available for publication all newsworthy facts about its activities was termed the principal fault of the public relations of American business by Walter E. Schneider, director of press relations and advertising of the Institute of Life Insurance, talking at the Mutual Insurance Advertising-Sales Conference at Buffalo.

A great deal of what the public learns of the service performance of insurance depends upon an energetic press staff and upon a more lenient censorship within business, Mr. Schneider said. In business there is nothing to hide from the public.

Eighty advertising and sales executives of mutual fire and casualty companies attended the two-day meeting.

An analysis of small towns as an insurance market was presented by T. C. Budington, Pathfinder Magazine. He indicated some of the weaknesses his surveys have turned up in insurance company operations in this area. Other surveys were discussed by H. E. Manske, advertising manager for Hardware Mutual Casualty, and F. F. Alexander, vice-president United Mutual Fire. E. D. Sirois, secretary-treasurer Mu-

tual Fire Assn. of New England, commented upon the interest shown by public officials in business public relations. B. F. Urch, assistant vice-president Northwestern Mutual Fire, described company publications as a publicity medium. L. A. Fitzgerald, director of information American Mutual Alliance, outlined public relations progress in the mutual fire and casualty field.

Supervision of sales forces as a tool in handling public attitudes was discussed by E. C. Strandine, northeastern sales manager International Business Machines.

At the concluding session four speakers pointed out a number of neglected uses of advertising. Walter E. Jackson, Indianapolis, public relations counsel; Frank E. Fitzgerald, advertising manager Grain Dealers National Mutual Fire; D. H. Elliott, eastern public relations supervisor for Lumbermen's Mutual Casualty, and D. F. Raihle, vice-president Hardware Mutual of Minnesota, took up this subject.

47 Attend 2nd Agent School

Forty-seven agent from 20 states and two Canadian provinces are enrolled in the North America school for agents which has just started its second eight weeks course covering all phases of fire, marine and casualty insurance.

There's no impulse buying in **THIS** market!



Manufacturers ask questions before they buy insurance. Suppose a prospective client says—

"A machine in my manufacturing plant explodes and badly damages an adjoining plant owned and operated by another manufacturer. Would the property damage suffered by the neighboring manufacturing plant as a result of this explosion be covered by my Manufacturer's Liability policy?"

Could you answer his question?

Answer to the quoted question is contained in the Group's current issue of "True or False." Your copy is available on request to our Advertising Department.

The right answer at the right time creates confidence in your ability to intelligently serve your clients. And, nowadays, there are innumerable opportunities awaiting the progressive agent to sell not only Manufacturer's Liability insurance but other liability lines as well. Agents of the Royal-Liverpool Group can count on information and assistance in soliciting this type of business.

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Take to Fence on Commission Issue

(CONTINUED FROM PAGE 1)

impromptu and he had to tackle one of the thorniest questions ever to face N.A.I.A. of the entire business for that matter. He won the admiration of the group instantly with his earthy, witty, balanced and understanding treatment of the question. What he pleaded for especially was the fullest kind of discussion of all aspects of the problem. Until that time the discussion had been limited and not very illuminating. Mr. Butler said he wanted to hear a lot more than he had heard and he asked some leading questions to excite further exploration of the question. The prob-

lem, he observed, involves an expense loading in the rate. Commissions are definitely and prominently involved. The precedent has been established of loading the rate with a fixed percentage for commissions. If that percentage is not representative of a fair commission, he asked whether the agents' quarrel is with their companies, with the rating organization or with the supervising authorities or with all of them.

One of the fundamentals that all hands can agree on, he said, is that commissions are part of the experience factor in the rate make-up. Also there

must be agreement on the part of the companies that the agent's remuneration is entitled to be a fair one. N.A.I.A. is interested in the welfare of all of its members and of the business. He said the association and the agents are a long way from embracing what organized labor has embraced, that is strife for enforcing its demand. The agents are a long way from invoking such a weapon even if it could be invoked.

The agents want fair dealings on commissions. The question is how to bring it about and how to get it. No plan will last that isn't based on fair dealing.

At another stage in the discussion on

service that agents used to do and the agents' commissions tend to drop as their subsidization deepens. He advocated an arrangement whereunder the agent that assumes the greatest responsibility would receive more commission than the non-policywriting office.

Paul Jones declared that the commission factor that is used in a rate should not dictate the commission that is paid to individual agents. The commission that is paid should be keyed to services that are rendered.

Mr. Mesher argued, however, that the average that is agreed upon will tend to become the maximum, and despite any niceties of distinction, if N.A.I.A. should subscribe to an average, the companies would use that as leverage to reduce commission to individual agents that had been receiving greater than the average.

Arthur McKnight of Reno, Nev., said that 25 years ago practically every agent wrote his own policies and the companies today are trying to correct the situation that they brought on themselves when they solicited agents to let the companies do the work.

Mr. Shepperd pointed out that "our constituents have such conflicting interests, that it would be very difficult for the association to get into a bargaining position officially. For instance, what would the little fellow, who is a dues paying member say, if the association should agree that he is to have 5% less?



A. E. SHEPPERD

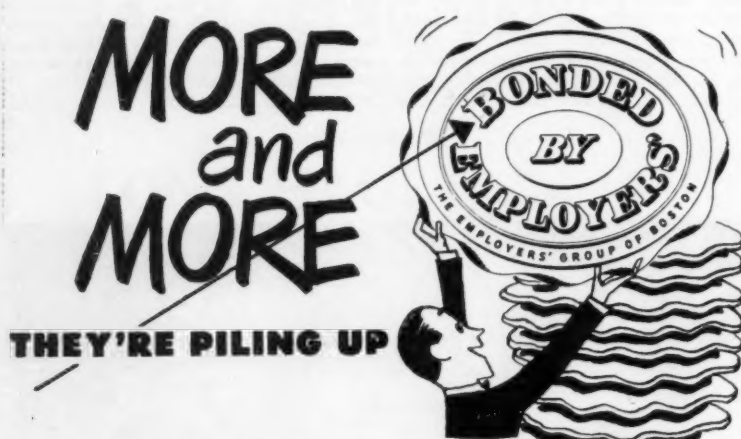
the point of the right of private contract between agent and company, Mr. Butler declared that there is involved the matter of the degree and the depth of the privacy of contract. It is not very private if the companies agree on a national scale. There is a unilateral phase that makes questionable the value of the right of private contract to the agent. "Your status as an agent needs protecting at this point," he said.

Mr. Butler declared that the question has got to be dealt with realistically. It must be recognized that the state authorities will feel an obligation to apply the statutory tests to each element in the rate structure. The agents will have to guard against some "shot gun treatment on a national scale that will affect your right of private contract." He emphasized that the ramifications of the problem are extensive and he implored the group to proceed in exhaustive discussion.

Irwin Mesher of Seattle started off by recalling that the Washington association a year ago adopted a resolution against conducting negotiations on commissions and calling upon the organized agents to support full compliance with state laws that protect the agents in the right to deal privately with companies. He contended that the Goldstein opinion has confirmed the judgment of the Washington group. A state law governing collective action in the commission field would be detrimental to the agency system. Washington feels that N.A.I.A. should make it plain that it will do everything in its power to preserve the right of individual contract.

Paul Jones of Arizona voiced the belief that the agents need the right to discuss the expense factor. He said that the companies will summon the agents to fight against rate reductions that are politically inspired and yet the agents can't put their hearts into such a fight unless they can assume that there is to be a fair acquisition cost. No single agency, he vouchsafed, has the weight to discuss commissions the National association possesses. He said he is opposed to collective bargaining but he is for the right to talk "common sense" in discussing the factor to be used in rate making.

Joseph Oppenheimer of Salt Lake City observed that the acquisition cost of the companies tends to rise as the companies increasingly perform the



There's a Special Reason . . .

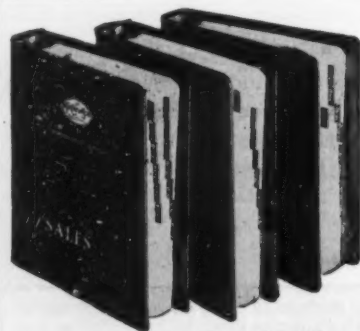
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The internal political aspects of the question are important."

Mr. Shepperd declared that the recent 5% reduction in plate glass commissions nationally was discussed by the casualty bureau with the agents before promulgations. The agents didn't agree to it, but it was discussed. He ventured the opinion that unless there is authority to bargain the right of discussion is meaningless. He emphasized that he was expressing personal opinion and that he had no mandate from California association.

Ralph Cash of Phoenix brought up the question of liability rating of auto courts. The gross receipts basis, he said, is disadvantageous to the better establishments that charge from \$5 to \$15 per day and the independents are



IRWIN MESHER

competing aggressively with per unit rates. One company charges \$1.50 per unit for the first 15 units and \$1 all over 15 and \$2.50 on offices and miscellaneous units.

State Conventions Scheduled

Irwin Mesher of Seattle suggested that the western states schedule their annual conventions in sequence so that eastern speakers and visitors could make the circuit easily. This was well received. This year the convention arrangements are as follows: Aug. 21-23, Montana, Banter Hotel, Bozeman; Aug. 28-30, Washington, Olympic Hotel, Seattle; Sept. 1-3, Oregon, Multnomah Hotel, Portland; Sept. 8-10, Idaho, Shore Lodge, McCall; Sept. 12-13, Utah, Hotel Utah, Salt Lake City; Sept. 30-Oct. 1, Nevada, Maples Hotel, Reno; Oct. 24-25, Arizona, Pioneer Hotel, Tucson; Nov. 7-9, California, Biltmore Hotel, Los Angeles.

The group voted to memorialize the powers that be to reduce the minimum premium for provisional reporting form to \$150 per account from the present \$200.

W. H. Menn of Los Angeles, former N.A.I.A. president, presented a trophy to go annually to the far western state that excels in organization accomplishments.

Pacific Board Workings Told

Tuesday morning the group was given an insight into the workings and plans of Pacific Board by Paul F. McKown, St. Paul F. & M., the president, and Herbert H. Kirschner, public relations counsel.

Mr. McKown told of the advisory and engineering services to municipalities, public officials and property owners relative to water supply and distribution as well as fire department organization and operation. The board encourages improved methods of building construction and of fire control. Its ability to collect and disseminate accurate statistical data and other reliable information was touched upon.

"It is to be expected that the board will enlarge its research work by promoting better standards of routine within the business," he said. "Concurrence in policy forms, improvement in accounting and collection practices, in

policy writing methods and other details are desirable."

The board's sponsorship of Fire Underwriters Assn. of the Pacific was related.

Can Render Real Service

The board cooperates with governmental authorities on laws and regulations. Pacific Board is functioning as an advisory organization in the realm of rate and form research, along with making studies of other aspects of the business.

The board believes it can render a real service to rating bureaus, producing forces, to insurance departments, to its own members and general agencies, and to the public.

Mr. Kirschner said the public relations department of the board is coordinating the efforts of management, field men and producers on plans for creating a better understanding on the part of the public of stock fire insurance.

A "blueprint" for action, called "the Pacific plan," was presented. Steps have been taken in setting up the system, through state and local agents' associations, for press releases to news-

papers. Field men's clubs are now organizing speakers bureaus.

A campaign of 12 advertisements for insertion in local newspapers, over the signature of agents' associations, is to be launched. The objective is to create public understanding of the value of agency service and the significance to the community of the local agents' associations.

Tuesday afternoon was held the meeting of Pacific advisory committee of National Bureau of Casualty Underwriters and the far west agents. Presiding was Rollo Fay, coast manager of the bureau. Also present were John Savage, assistant manager of the bureau; Perry Taft of Sacramento, coast manager of Assn. of Casualty & Surety Companies, and about 14 company men.

North America Open House

North America held open house Wednesday afternoon at its new building at 855 Lenzen avenue, San Jose, Cal., in which the machine, supply, statistical and other detail work than production and service activities for the Pacific Coast are to be carried on. San Jose business men, as well as numerous insurance friends, were entertained on this occasion. Present from the head

office were John A. Diemand, president; L. C. Lewis, vice-president; J. M. Crawford, vice-president of the indemnity company, and Bruce Miller, marine secretary.

This is a two-story building containing 40,000 feet of floor space and the operation will be in charge of T. J. Craig. At the start 136 employees will work there. Frank Owen, coast manager, will continue to maintain headquarters in the North America building at San Francisco, and the production and service departments will remain there, the San Francisco staff numbering about 150. This will give them more elbow room. The production and service work at the other North America offices on the coast will continue as is.

North America was host at a cocktail party at the Stock Exchange Club, San Francisco, to brokers and agents Monday.

Multiple Line Bill Gets Senate Group OK in Ill.

The multiple line bill which has passed the Illinois house has received a do pass recommendation from the senate insurance committee.



"This is one of the few problems my KANSAS CITY field man cannot help me solve!"

It's true that your Kansas City field man probably will not be on hand to give you the protection you need during a sudden April shower*, but you can be sure of his prompt assistance with many other unexpected risk problems. For business protection, you can always count on The Kansas City.

Thanks to sound underwriting, proper management and steady, continued growth, The Kansas City is one of the strongest fire companies in the business. Our strength means greater security and protection for your insurance business.

Represent The Kansas City, and be sure that you and your assureds are amply protected at all times.

Martin T. Jones
PRESIDENT



*Unless, of course, he happens along at the right time!

KANSAS CITY Fire and Marine
INSURANCE COMPANY
KANSAS CITY, MISSOURI

O'Brien Gives Lectures

Emmet D. O'Brien, special agent of Fireman's Fund, is lecturing before the insurance clinic, at Orange Coast College, Santa Ana, Cal., April 4 on "Dwellings"; April 18 on "Mercantile" and April 25 on "Claims."

WANT ADS

INSURANCE SALESMEN

A top national casualty and fire company has sales representative positions open in which you will have all usual advantages of associating with a direct-writing mutual company plus an incentive plan that is giving more than half our men incomes of over \$6,000.

Workmen's compensation is our principal line, but we are balancing our production to include more automobiles, group, fidelity, burglary, and other lines.

These openings are not for the trainee or the man who can bring in a wad of premium from past performance and coast along servicing accounts. Our plan pays off best for the new-business producer who will be able to handle all lines with the help of a well organized home office and field staff.

If interested in an interview write

Box T-93

THE NATIONAL UNDERWRITER
175 W. Jackson Blvd., Chicago 4, Ill.

Fire and inland marine underwriter with several years experience. Married man preferred. Write Box T-88, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Large Indianapolis, Indiana, office has opening for an experienced insurance underwriter, age 30 to 40 years. Man with schedule rating or engineering or loss adjustment experience given preference. Address T-57, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

STATE AGENT WANTED

To supervise operations in Indiana for a well known stock fire insurance company. This is a splendid opportunity for an aggressive young man with good knowledge of the fire insurance business. Replies will be held in strict confidence. Address T-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Company desiring to establish Arkansas service office at Little Rock desires manager with knowledge of fire and casualty lines. Must be aggressive producer. Write Box T-85, The National Underwriter, 175 West Jackson Blvd., Chicago 4, Illinois.

TREWEEKE AGENCY

Exclusive placement of insurance men and women in Southern California. Good positions always open for well qualified applicants under 40 years old.

Visit our offices, or write us.

610 South Broadway, Los Angeles 14

WANTED: Colorado manager for Denver branch office. Must be aggressive producer with knowledge of fire and casualty lines. Write Box T-94, The National Underwriter, 175 West Jackson Blvd., Chicago 4, Illinois.

NEWS OF FIELD MEN

Ore. Field Men to Hold Educational Meetings

Oregon Fire Underwriters Assn. will hold educational meetings for local agents in key cities of the state in April. There are four teams of field men, with this schedule:

No. 1, John E. Tilton, American; Henry Stanton, Fireman's Fund; S. M. Dunning, Royal-Liverpool, and R. E. Ashton, Glens Falls; April 19, Ontario; 20, Baker; 21, LaGrande; 22, Pendleton.

No. 2, R. J. Burke, Deans & Homer; H. A. Ballin, Jr., Home; W. C. Williams, St. Paul; D. P. Lawrence, Great American; April 18, The Dalles; April 19, Bend; April 21, Klamath Falls.

No. 3, F. R. Brennan, Hinchman, Rolph & Landis; W. S. Reinhart, Founders F. & M.; C. S. Maxwell, New York Underwriters; C. P. Yerkes, Pacific National Fire; April 18, Roseburg; 19, Ashland; 20, Grants Pass; 21, Coos Bay.

No. 4, M. F. Penfield, Royal-Liverpool; D. R. Coodell, Aetna Fire; R. E. Swan, Security of New Haven; R. L. Knapp, Phoenix of Hartford; April 18, Astoria; 19, Salem; 20, Eugene; 21, Albany.

Royal-Liverpool Reassigns Carleton and McManmon

F. C. Carleton, state agent for Royal-Liverpool in South Carolina, has been transferred to the northeastern Virginia field with headquarters at Arlington. Taking over Mr. Carleton's duties in western South Carolina is T. A. McManmon, state agent in North Carolina.

Employed in the loss department of Globe Indemnity in 1934, Mr. Carleton was appointed special agent in Columbia, S. C., in 1946. Later he became state agent in the same territory. From 1941 to 1945 he served in the army.

Mr. McManmon joined the group in 1915 and was made a special agent in Little Rock, Ark., in 1927. He was named state agent in the same territory in 1934 and was transferred to North Carolina in 1936. He served in the army in the first war.

Fete North British Veteran

H. H. Gamber, state agent in western Ohio for North British, was honored at the central department field conference of the company for his 40 years of service with the group.

H. V. Tisdale, central department secretary, remarked on Mr. Gamber's record and presented him with a gold pocket watch and matching chain and knife on behalf of the central department field men and home office associates.

Mr. Gamber was originally employed at New York where he served as endorsement clerk, map clerk, assistant examiner and examiner. He has spent the major part of his career in the Ohio field.

Coast Blue Goose Activities

LOS ANGELES—California Blue Goose plans an old timers program for April 22, with Raymond Needham, manager of the Phoenix-London group, in charge. An initiation will be held with all offices filled by old timers.

San Diego puddle will hold an initiation May 4 and its annual outing the following day at La Jolla Country Club. Fresno-San Joaquin pond will hold its annual picnic and barbecue May 13-14 at Fresno.

Texas Inspection Program

To coordinate activities in the town inspection program in Texas, officers of the four field clubs held a lengthy conference at Dallas, with R. B. Cousins, Texas Insurance Advisory Committee, Austin, in charge.

It was decided that no request for an

inspection will be accepted except from those towns having organized a local fire prevention committee to carry through the follow-up campaign. Dates for future inspections will be arranged to allow members of all field clubs to participate and schools of instruction for field men in the methods and procedures of such inspections are to be conducted by the clubs.

Plan Tri-State Meetings

A tri-state meeting of Blue Goose ponds in Oklahoma, Arkansas and Missouri, with Heart of America pond as host, will be held April 28 at Joplin, Mo. Following a golf tournament, 62 candidates from the four ponds will be initiated, with Frank Callahan, Oklahoma City, Phoenix of Hartford, conducting the ceremonies. C. E. Johnson, Oklahoma City, New York Underwriters, is in charge of arrangements.

Disaster Procedure Told

F. M. Aspinwall, assistant manager of Western Adjustment, addressed Stock Fire Speakers Assn. of Ohio Monday at Columbus on "Disaster Adjustment Procedure."

McCord Replaces Ellis

Bernard G. McCord has been appointed special agent by Agricultural in

North Dakota and northwest Minnesota. He joined Agricultural in 1931. Following service in the marines, he was assigned to the western department as an examiner. He replaces Robert Ellis, who is seriously ill. His headquarters will be at Fargo.

Denver Field Group Elects

DENVER—Direct Reporting Fieldmen's Assn. has elected A. J. Lehwaldt, Glens Falls, president; James N. Ham-mil, London Assurance, vice-president; R. M. France, Security of New Haven, secretary.


Okla. Pond Has Big Meeting

A banner attendance marked the initiation meeting of Oklahoma Blue Goose, with 114 members and guests present. Twenty candidates were initiated.

Out-of-town guests included James Miazza, General Adjustment Bureau, Dallas; E. R. Sherwood, automobile superintendent for Great American, Chicago, and 25 adjusters from Oklahoma, Texas and Louisiana who were attending a casualty school there.

Aetna Fire Promotes Carr

Aetna Fire has appointed Frank E. Carr special agent for Wayne county, working out of Detroit. Mr. Carr's entire insurance experience has been with Aetna, most recently as underwriter of Michigan business in the western department office at Chicago. He was in military service.



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\$500,000 Insurance Loss Expected in Okla. Tornadoes

Early reports on damage caused by tornadoes in Oklahoma during the past two weeks place the insurance price tag at about \$500,000. The storms centered on Longdale, Canton, Blackwell and Crowder.

Loss at Canton was largely confined to dwellings, plate glass and roofs in the northwest part of the town and amounted to approximately \$100,000. At Blackwell the storm hit the southern residential section and another \$100,000 estimate has been made there.

There was heavy damage at Crowder with about 100 buildings destroyed at an average cost of \$1,500.

To Study Entrance of FCIC in Live Stock Field

WASHINGTON—Proposals for possible extension of federal crop insurance to cover livestock were approved by the House committee on agriculture in reporting a bill to amend the FCIC act.

The measure authorizes study of the feasibility and cost of livestock insurance against catastrophic losses to be made and reported to the next session of Congress.

Gus Geissler, FCIC manager, in his testimony before the committee, stated that FCIC has received hundreds of letters and resolutions from livestock, wool growers and other associations and interests, and individual stockmen, urging that the government do something about stock losses caused by blizzards last winter.

Another change approved by the committee would allow FCIC to reinsure private companies. This would be limited to 20 counties selected without regard to other crop limitations in the counties.

Lay Plans for N. Y. Rally

Laurence J. Ackerman, dean of the business school at the University of Connecticut, and Josh Lee, former senator from Oklahoma, will highlight the annual meeting of New York Assn. of Insurance Agents at Hotel Syracuse, Syracuse, May 2-3.

The directors will meet the day before the first session. To open the meeting there will be a local board forum for discussion of activities and problems. In the afternoon there will be an education and agency class panel consisting of Mr. Ackerman, R. E. Farrer, educational director of the National association, and others.

Tuesday morning talks on organization, insurance legislation and regulation will be given by Roy A. Duffus, Rochester; A. C. Deisseroth, Syracuse, John C. Stott, president of N.A.I.A., and Superintendent Dineen of New York.

The afternoon will be given over to safety and sales. T. N. Boate, director of public safety division of Association & Casualty & Surety Companies, will speak.

Sign Reciprocal Bills in Neb.

Governor Peterson of Nebraska has signed three bills covering operation of reciprocals. Two are department sponsored measures providing that the declarations filed with the department by subscribers of reciprocals state the maximum and minimum liability of subscribers for payment of losses under the contracts. The other provides that if assets and resources of a domestic reciprocal are not sufficient, they must be made so within 180 days after notice from the department.

Another bill provides that reciprocal contracts are not subject to state insurance laws except under the reciprocal section.

Rail Car Repair Shop Loss at St. Paul to Run \$400,000

The entire repair shop of Western Fruit Express Co. at St. Paul was destroyed by fire March 31 with a loss estimated at approximately \$400,000. The building is owned by the Great Northern Railway Co. and leased to Western Fruit Express.

Damage to the repair shop owned by the railway was total to insurance of \$58,000, but the contents loss making up the remainder of the risk will be under the insurance of Western Fruit Express.

A separate office and storeroom building suffered partial damage of \$18,000.

Loss to machinery and tools, and material and supplies will run a little more than \$250,000. There were 17 railway cars destroyed and four damaged, and the loss here is estimated at \$34,600.

The insurance was written by Railway Insurance Assn. and several railway mutuals. Western Adjustment is handling the entire loss.

Cause of the fire is undetermined. It occurred while the plant was temporarily shut down and only about six men were on duty.

Albiez Heads N.Y.C. Pond

The annual meeting of New York City Blue Goose was held April 6 at Newark and was dedicated to past most

loyal ganders. There was an initiation.

The slate as set up by the nomination committee was: George P. Albiez, Pearl, m.l.g.; Walter W. Emely, Automobile Adjustment Bureau, supervisor; Walter E. Sheldon, Niagara, Newark, custodian; Robert E. Stumpf, manager of General Adjustment Bureau at Paterson, N. J., guardian, and Thomas P. Finnegan, Corroon & Reynolds, wielder. The annual outing will be held May 20.

Course at Bellingham

Bellingham (Wash.) Assn. of Insurance Agents has launched a fire insurance course patterned after the N.A.I.A. program.

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EDITORIAL COMMENT

Regulating Public Business

In connection with the administration and policy-making activities of New Jersey's temporary disability benefits law, there has been created an advisory council of private citizens. Representing insurance on this committee are Edmund B. Whittaker, vice-president of Prudential, and Francis Van Orman, vice-president of American Ins. Co. What we have to say about the advisory council idea in general, we can say without hesitation. These men are not such as to fall into the role that it is all too easy for busy executives to come to occupy in these public watchdog assignments.

By and large it has been comforting to the business community and to the critical citizenry to see leaders from private business and from other non-political endeavors drafted into positions to help regulate government business. The danger is that some of these big names may have so little time to give to the work that they will be constrained to "think on it only from the top of their heads." Yet the public will believe that these men are giving the same attention to these public problems that they are giving to their private pursuits and will be lulled into an uncritical attitude. Under such circumstances the political administrators would be subject to no real supervision on the part of either their private watchdog group or on the part of the public in general.

Unless the private supervisors are able to bring to the performance of their task their entire intelligence, and unless they take very seriously the need of re-orientation when dealing with governmental projects, they could very well fall prey to the special pleadings of a designing staff. They could be deluged with graphs, reports, transcripts, Central European theses, and other impedimenta to original thought, and could subtly be directed into channels that accord more courtesy to the staff than to the public welfare.

The two men we have mentioned on the New Jersey council are men of exceptional independence, have exceptional knowledge in this difficult field, and have access to further reserves of information, and are apt to tap such reserves wisely. Their appointment is surely more impressive than would have been the appointment of the presidents of the companies themselves. Mr. Shanks of Prudential and Mr. Sommers of American would doubtless have delegated their assignments to Mr. Whittaker and Mr. Van Orman, but it is far

better to have the public responsibility directly fixed on the men that are going to be in the thick of it.

President James A. Fulton of Home Life of New York the other day made a talk in which he called on business men to revise their attitude toward government, to realize that there will not be a return to "the good old days," to understand that government is the biggest business of the nation and to take a hand in the regulation of that business. The advisory council approach is perhaps a vehicle for providing that regulation. The development of a two-way street in regulation is Mr. Fulton's conception. We have public regulation of private business, why not more private regulation of public business?

The idea has great possibilities. Business has had to admit that much good has come from public regulation after the initial angularities have been smoothed by both public and private authorities, devoted to the public interest, learning each other's idiosyncrasies. Likewise public authorities and administrators might very well learn the value of private counsel and assistance, avoiding like the plague the technique of the "rubber stamp." Indeed we happen to know that the administrator of federal crop insurance corporation got much solid assistance from the private insurance men named as advisers to FCIC. These men found time to dig into the situation and possessed special knowledge and background as well as backbone.

On the other hand, there is the danger that a highly placed man with a great many exacting duties will fail to make the necessary expenditure of his time to study all sides of the situation. He may, unfortunately, resolve all questions that arise in the light of some position formerly reached, perhaps sound at the time, perhaps even then derived from too brief a concentration on the problem. He may not be willing to correct his position to keep abreast of changes, he may be insensitive to the new factors and relationships that arise. He may be unwittingly susceptible to management by some element of a full-time staff, when that staff sets out to shape things to ends alien to those that should be the concern of the legislature as representatives of an enlightened and responsible American public.

It would appear that the recently issued "Task Force Report on Public Welfare—(Appendix P)"—that portion of the reports of the Hoover commission reports dealing with health, em-

ployment and unemployment, old-age and survivors insurance and public assistance, is both more constructive and more representative of sound public policy than is the advisory council's report.

The advisory council is appointed by the Senate finance committee, but meets only briefly and with so little time that its recommendations on old age and survivors insurance seem to represent all too largely the viewpoints of the administration being advised, rather than the considered opinions of a business-minded

advisory council. But taking the two civilian reports together a balanced judgment can be possible with a sufficient expenditure of time for analysis.

If we can inject vital private regulation and assistance into some of our gigantic public businesses, the public welfare will be well served, but if such regulation should be only a shadow, it would be worse than none at all, because it would serve to deaden the sense of ultimate responsibility of the individual, informed citizen upon whom our government rests.

PERSONAL SIDE OF THE BUSINESS

Herbert A. Blinn, assistant secretary of Wheeler, Kelly, Hagny, has been named treasurer of the Wichita Rotary Club.

Col. Howard S. Searle, Topeka, state agent of Crum & Forster for northern Kansas was confirmed by Governor Carlson as brigadier general of the Kansas National Guard. Also confirmed were B. A. Welch, former Kingman agent, for another term as state bank examiner and Fred Horn, former Wichita agent, for another term on the state commission of revenue and taxation.

Harry W. Miller, U. S. manager of Commercial Union, is returning from an extensive far western trip. He was in the Pacific northwest, in California, and is returning via Little Rock and Texas points.

Howard Huttenlocher, immediate past president of Michigan Assn. of Insurance Agents, was named "outstanding boss" at the bosses' night dinner of Pontiac Junior Chamber of Commerce. He is a former president of the Jaycees.

Allemania Fire tendered **Elmer P. Niebaum**, president, a dinner as a testimonial to his completion of 50 years with the company. John E. Crawford, director, was toastmaster and the testimonial address was delivered by C. F. C. Arensberg, director and general counsel.

Mr. Niebaum joined German American in 1899 as a clerk.

Mr. Niebaum became assistant secretary in 1906 and in 1912 became secretary. The company name was changed to United American and Mr. Niebaum became vice-president and director of Allemania at the time of the merger in 1931 with that company. He was elected president in 1947.

American Factors of Honolulu, which is the largest insurance agency in Hawaii, as well as being the largest merchandiser there and the largest sugar producer, as well as having many other important interests, is marking its 100th anniversary in impressive style in October. Invitations have gone out from Gov. I. M. Stainback of Hawaii and officers and directors of American Factors to prominent U. S. connections to attend the ceremonies which will run from Oct. 10 to 14. A number of insurance men from the U. S. will attend, including H. Clyde Edmundson, coast manager of America Fore. American Factors represents Fidelity-Phenix,

Fireman's Fund, North America, Hartford and Guardian of London. President of American Factors is H. A. Walker, and insurance manager is C. Hut-ton Smith.

The 25th anniversary with the organization of **Philip A. de Gruchy**, manager of Kimball, Gilman & Co., Boston managers of Pennsylvania Fire, was marked with flowers, induction into the company 25-year service association by Assistant Manager C. R. Frazer, and a dinner attended by Secretary H. A. Klocke of the New England department. Mr. de Gruchy was presented a handsome gold wrist-watch, suitably inscribed.

He began his career in the New York office of Pennsylvania Fire and joined Kimball, Gilman & Co. in 1942 as assistant manager. In 1947 he became manager.

DEATHS

Harry A. Swart, past president of Portland (Ore.) Assn. of Insurance Agents, died there.

William E. Roehl, vice-president of Knoxville (Tenn.) Insurance Exchange, died following an automobile accident near Corbin, Ky., en route home from Cincinnati, after having attended the mid-western meeting of National Assn. of Insurance Agents at French Lick, Ind. Mrs. Roehl, who accompanied him, suffered painful injuries and is confined to Fort Sanders Hospital, Knoxville. Mr. Roehl's death set up the first claim under the recently established group plan of the association and Mrs. Roehl was the first policyholder receiving hospitalization under the plan. Provident Life & Accident will pay \$5,000 on Mr. Roehl, who had paid only one month's premium of \$6.40.

Leon W. Crowl, 52, manager for 23 years of the Kansas City office of Associated Mutuals, an agency representing the Kemper group, died there. He never fully recovered from injuries sustained in an auto accident last November, although his condition was reported as improved in recent weeks.

W. F. Bridgford, 62, retired Yakima, Wash., local agent, died after an extended illness. He was for many years manager of the insurance department of Yakima Bond & Mortgage Co. and later operated an agency under his own

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name. He was first president of the old Insurance Agents League of Washington in 1921. His father was the first secretary of the old Pacific States Fire of Portland.

Frank W. Davis, 67, local agent at Fort Scott, Kan., died of a heart attack. His agency was established in 1914.

Walter R. Fritz, 58, well-known independent adjuster and former special agent at Portland, Ore., of Fire Association, was killed in an automobile accident near Stevenson, Ore. He was in charge of the Oregon field for Fire Association for 20 years, 1924-1944. He then entered independent adjusting. He saw service overseas in the first world war.

Orville Buell, 44, Florida special agent for the A. H. Turner general agency, died at his home in Jacksonville. Mr. Buell had been in Florida for five years. He was born in Tipton, Mo., and was buried in Sedalia, Mo.

Erwin H. Shiel, executive vice-president of Franklin General of Indianapolis, died at his home of a heart attack. Mr. Shiel was known to all his acquaintances as "Kl." He had been executive vice-president of the company for the last two years and before that was with Union of Indiana for 20 years as executive field supervisor.

D. Sherman Ellison, 61, president of the D. Sherman Ellison Agency, South Bend, Ind., died there after being confined to his home since last November. He went into the insurance business 26 years ago. His agency emphasized specialized departments for selling and servicing business. Three years ago the business was reorganized and Mr. Ellison gave three of his oldest employees shares in the firm. Mrs. Mildred A. Hill, with him 25 years as his secretary and office manager, was made treasurer; Don E. Cleary, with 21 years' service, vice-president, and Fay B. Hostettler, 22 years, secretary.

Eugene P. Goetzinger, special agent

for Texas of Indiana Lumbermen's Mutual, died at Medical Arts Hospital, Dallas. He had been in insurance work all his business life and with that company at Dallas for 10 years. He went there from Oklahoma City.

Thomas J. Houston, 72, head of the adjustment firm of T. J. Houston & Co., Chicago, and former Illinois director of



THOMAS J. HOUSTON

insurance, died after a prolonged illness.

Within a few months he would have marked 40 years of association with Marsh & McLennan, with which his firm was affiliated. Mr. Houston started as an adjuster with the H. W. White & Co., general adjusters at Chicago. Upon Mr. White's death in 1913, the firm took Mr. Houston's name.

Mr. Houston was insurance director for three years under Governor Len Small. He was head of the Chicago

civil service commission under Mayor Thompson and was a candidate for the Republican mayoral nomination in the 1931 primary.

Raymond B. Swanson, 41, North Dakota state agent of Home, died at his home in Moorhead, Minn. Mr. Swanson was graduated from Illinois Institute of Technology. He joined the Minnesota Inspection Bureau in 1930 and in 1939 went to Fargo as state supervisor for Home.

He was a past president of North Dakota Fire Prevention Assn. and was keeper of North Dakota Blue Goose.

Clyde I. Murry, 63, local agent at Elmer, Mo., and former representative, died at a hospital at Kirksville, Mo.

Ohio Multiple Line Bill Passes House Committee

The Ohio house has recommended the multiple line bill for passage with amendments proposed by the Ohio agents association.

Chief point of dispute was the licensing arrangement, and an amendment provides that licenses now in force for automobile physical damage insurance only may be renewed for such insurance only. This clarifies the situation as regards 1,200 General Motors dealers.

Despite amendments and agent support, prospects of enacting the multiple line bill at this session are not certain.

The house has passed a bill relieving private owners and operators of aircraft from liability to guests except for wilful and wanton negligence. Several other states have already enacted aircraft guest liability measures similar to this.

Insurance interests are strenuously opposing a senate bill which would permit a judgment creditor to recover from the insurance company the entire amount of judgment, even though in excess of policy limit, if the company refused an offer to settle within the policy limits. Such a measure would put companies at a disadvantage in negotiating with claimants, and in any situation a policyholder could give his consent to settle within the policy limits, however high, and thus protect himself in the event that judgment exceeds the policy limits. It might also open the door for fraud and collusion between unscrupulous insured and claimants.

Other bills that the industry are opposing include one which would establish comparative negligence and prohibit the defense of contributory negligence; create a state automobile fund; establish compulsory automobile insurance; make void releases in case of personal injury unless the injured party has an attorney.

Adair to Founders F. & M.

John D. Adair has been appointed special agent of Founders Fire & Marine. He formerly was with the Employers' group, Pacific Indemnity, G.A.B. and Great American.

Name New Patrol Directors

BOSTON—Boston Protective Department has elected Thomas R. Young of Field & Cowles, Fred H. Morasch of Fireman's Fund and Kenneth W. Faunce of John C. Paige & Co. as directors.

Brokers Assn. to Vote

Directors of National Assn. of Insurance Brokers are to meet May 23-25 in San Francisco to elect officers.

No Riot Cover for Taxi Men

NEW YORK—There was some demand for riot and civil commotion and scandalism and malicious mischief insurance by taxicab owners and operators of small fleets during the early days of New York City's taxicab strike, but insurers were not writing the coverages. The rate is 30 cents per \$100. In normal times none of this coverage is sold to the taxicab people, according to underwriters.

QUICK PICTURE

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TDB Law in New York Sets Stage for Big Sales Drive

By DONALD J. REAP

NEW YORK—Enactment of the disability benefits bill in New York has had an effect on group accident and health life and casualty companies like a fire alarm in a fire house. The question "are we going to have it?" has changed to "how much business can we write and on whom?"

Because the plan is linked with workmen's compensation rather than unemployment compensation as in the other states, a number of new approaches will have to be adopted. Because it is in a key state, the companies are anxious to make a good record. Approximately \$80 to \$100 million dollars in annual premiums is involved.

After their experience in other states, companies and field forces will approach the problem as seasoned salesmen. Generally it is still too early to see exactly what will be done to write the business but the company planners are already at work preparing for the effective date of the bill which is July 1, 1950.

Size of the Market

The market in New York state is greater than it has been in any other. Subject to the act are some 170,000 employers of four or more employees, with a total of six million employees. This figure represents the number of unemployment compensation insured and not workmen's compensation insured. Workmen's compensation because it includes many employers with less than four employees, covers a greater number of employers but does not greatly increase the number of employees. Workmen's compensation insured employers total 465,000 and they have 6,700,000 employees.

This does not mean, however, that the market is that great. Particularly among larger employers the market will be considerably less. The state department of labor roughly estimates that on Jan. 1, 1949, among all workers within the scope of the unemployment insurance law, some 52% were covered by a policy, plan or practice which provided cash income during periods of non-occupational disability. Among all workers of the state, including those outside the scope of the unemployment insurance law but excepting government and railroad employees, approximately 45% were covered. About 4% to 8% of these groups are protected by individual policies.

Much Existing Coverage

Existing voluntary coverage is much more comprehensive among large employers than it is among the small ones, reports the National Industrial Conference Board. Among the companies responding to an NICB questionnaire some time ago, plans were reported in the following proportions, the first figure representing the number of employees in an establishment and the second the percentage with plans: Number of employees 25 to 99, 39.2%; 100 to 199 employees, 62.5%; 200 to 499 employees, 63.3%; 500 to 999 employees, 82.2%; 1,000 and over, 89%. The questionnaire was sent to a broad sampling of employers throughout the state and, though incomplete, indicates that larger employers are almost completely covered.

It should be noted that a number of plans may not come up to the minimum requirements established by the law and they will have to be revised to qualify.

Some authorities have expressed the fear that the tie-in with workmen's compensation might be disadvantageous to

the private carriers, particularly the life companies. The effective date of the protection coincides with the annual policy date of workmen's compensation policies. It appears to some that the casualty companies might have a clearer road to writing the disability protection where they are already writing workmen's compensation protection for an employer. The life companies, however, are able to offer group life and other welfare plans which the casualty companies can not. It has been pointed out too that where a group life program already has been written on an employer, because he is accustomed to the company's claim procedure, etc., he will be inclined to let the company write his disability protection. The casualty companies can use the same point and stress the experience the employer has had with his compensation program.

The workmen's compensation state fund in New York, although it is the largest single writer of compensation, writes only about 25% of the total volume of premiums. It has not made any significant inroads in the total amount written in the past 10 years. Fairly complete figures for 1948 indicate that the state fund wrote \$41,632,777 in premiums during 1948 compared with a total of workmen's compensation volume of \$180,523,814.

It is generally true that acquisition and administrative expenses are proportionately higher for a small group than they are for the larger. This will present a problem in New York. Approximately 35% of the employment covered by the unemployment insurance law is in establishments with fewer than 50 workers and 23% in establishments with fewer than 25 workers.

State Fund's Position

The comparative volume figures of the state fund, however, give only a partial indication of what position it will take in writing disability benefits. When the program was enacted in California private insurers were able to write about 25% of the business at the kickoff which they later increased to some 40%. In New Jersey they had 45% of the business at the starting date. With a large volume of private plans already on the books in New York state the percentage position of the private carriers will largely depend on the efforts they make to write the smaller groups. Many of the plans written on larger employers will undoubtedly qualify under the act. Another helpful factor is that the companies now have had experience and know where they're going. They know what business they want. They also have sufficient time to prepare sales programs and can move in men trained in other areas to aggressively seek the business. The companies will put men at strategic areas all over the state. Competition will be as severe among private companies as it will be between the private carriers and the state fund.

Employers, Employees Benefit

The employers and employees are the persons who stand to benefit most by this strong competition. They can almost sit back and wait, at least until shortly before the deadline, for various private companies to submit their proposals. Employers and employees thus may have an option of anywhere from one to 10 or 15 different plans. This means that the group salesmen will have to put their best foot forward particularly on the interesting cases. Undoubtedly considerable pressure will be exerted on underwriters to be lenient.

(CONTINUED ON PAGE 20)

Speakers for H. & A. Conference Annual Meeting Announced

The program for the annual meeting of H. & A. Underwriters Conference at the Edgewater Beach Hotel, Chicago, May 16-18, will center around accident and health legislation, home office costs and agency management. The first day Frank C. Rathje, Chicago banker and civic leader, will speak on insurance and banking. He is a past president of both American Bankers Assn. and Illinois Bankers Assn., and active in civic affairs in Chicago.

E. J. Moorhead, executive vice-president of United States Life, will address the agency management session that afternoon on agents' compensation. He has had company and association experience and is the author of several articles on agency operations from a financial standpoint.

Ralph H. Blanchard, professor of insurance at Columbia University, will speak Tuesday morning on "Ratios."

The luncheon Tuesday will feature an address on salesmanship by Ver Lynn Sprague, merchandising consultant for the Gourfain-Cobb Advertising Agency, Chicago. That afternoon E. H. O'Connor, Insurance Economics Society, will present the latest developments on cash sickness and health insurance legislation.

Dr. George F. Lull, secretary and general manager of American Medical Assn., will speak Wednesday afternoon, May 18. A member of the army medical corps for 33 years, he was deputy surgeon general during the recent war. After his retirement from the army in 1946, he joined A.M.A. He was a technical adviser to the American delegation at the formation of the World Health Organization.

Several other speakers have been scheduled and will be announced in the near future.

Arrange Special Chicago Train for N.A.I.C. Meet

A special train from Chicago has been arranged for the annual convention of the National Association of Insurance Commissioners in Seattle, June 26-30. The special will be operated by the Milwaukee Railroad. It will leave Chicago at 11 a.m., June 23, and will arrive in Seattle the afternoon of June 25.

Accommodations are available for at least 125 passengers and reservations may be secured from Glenn W. Hyett, Milwaukee Railroad, 100 West Monroe Street, Chicago 3. Co-chairmen in charge of arrangements for the special train are Rollin M. Clark, first vice-president and secretary of Continental Casualty; and A. G. Smith, special deputy insurance director of Illinois.

Gray Is Omaha President

Omaha Assn. of A. & H. Underwriters has elected Ernest W. Gray, Occidental Life, president; Dick Poast, Mutual Benefit H. & A., vice-president; Mable Gottsch, Pioneer Insurance Agency, secretary.

R. E. Pratt, Travelers Health, and Sam B. Starrett, Jr., Guarantee Mutual Life, were added to the executive board.

Breslin Boston President

Boston A.&H. Assn. has elected these officers: President, Charles A. Breslin, C. A. Breslin agency; vice-presidents, John Rudel, Loyal Protective Life, and Reginald H. Sands, Walter S. Attridge Co.; secretary, Richard B. Strickland, Craftsman; treasurer, John M. Foster, Jr., Columbian National Life.

Urges Four-Way Remedy for Small Compensation Risks

C. P. Cunningham Bids for Agent Support in Colorado Springs Message

A bid for agent support in an effort to remedy the small risk problem in workmen's compensation was made by C. P. Cunningham, assistant superintendent of underwriting for Zurich, at the Rocky Mountain territorial conference of National Assn. of Insurance Agents. Outlining a series of far-reaching proposals that would affect nearly the entire structure of writing, rating and handling of all workmen's compensation insurance, Mr. Cunningham told his Colorado Springs audience last week that much of the preliminary study has been completed and that he believes it possible to conclude the work and have most of the program ready for submission to the state insurance commissioners within a matter of months.

The crying need for enlightened handling of small compensation risks is all too evident, he declared, adding that if a majority of underwriters share his enthusiasm for the change it could be brought into quick fruition.

Mr. Cunningham based his arguments largely on a study conducted by H. F. Richardson, secretary-treasurer of National Council on Compensation Insurance, in May, 1947, and since "in committee."

Cites Needs for Changes

Pointing out the need for simplification of small compensation risks, Mr. Cunningham observed that agents in Colorado last year handled 14,000 compensation risks, of which 13,000 were below the \$500 average annual premium required for experience rating. From the viewpoint of the producer the small risks presented many problems which were, in the aggregate, entirely out of proportion to the premium collected. To demonstrate the agent's difficulties he traced a small risk through an agency wherein the first step was to decide the proper manual classification from among 660 classifications. Next the agent must pursue the proper rate and track it down through a labyrinth of confusing rate pages. If more than one classification applies, he must divide the payroll between the applicable classifications. If it is a small risk involving two or more classifications, probably a calculating machine will be necessary to determine the minimum premium.

When ready to write the policy a number of endorsements will be needed, among them the state endorsement, board and lodging endorsement, payroll limitation endorsement, overtime remuneration endorsement, endorsement interpreting paragraph 1 (b) with respect to disease, inclusion of occupational diseases endorsement, and additional medical endorsement.

After the policy is delivered, the insured has difficulties. He must maintain a set of books sufficient to satisfy the requirements of a company payroll audit division. His payroll records must provide for a division of payroll where physical separations between classifications of work exists and must be watchful less interchange of labor between

(CONTINUED ON PAGE 20)

Federal TDB Plan Hit in Ways and Means Hearing

The administration-sponsored proposal to include temporary disability insurance as a nationwide federal program under the social security act was criticized as an unnecessary and dangerous experiment, inimical alike to the best interests of workers, employers and the nation at large, by Ray D. Murphy, vice-president and actuary Equitable Society, in testimony before the House ways and means committee. Mr. Murphy spoke on behalf of the life companies. Mr. Murphy cited the great and rapid growth of voluntary plans in this field as obviating the need of any federal action. Well over half of all the nation's workers now have temporary disability protection under voluntary plans, either through continuation of pay during sickness or through insurance, he said, and in the nine years between 1938 and 1947 alone the volume of group insurance protection providing weekly disability benefits increased five-fold.

"This," he declared, "indicates that the American people have made great strides through their own initiative in providing protection against temporary loss of pay due to disability and that a variety of methods have developed to meet the varying needs and desires of individuals and groups. Accordingly, we can see no need for federal legislation on this subject."

Inflexibility Is Hazard

One of the great dangers in a federal plan, Mr. Murphy declared, is its inflexibility and the impossibility of its reflecting the widely-varying employment and other conditions that exist between localities, states and regions. A federal plan by its very nature and purpose, he declared, would attempt to freeze all employers and employees into the same mold. Because of this, he continued, and because temporary disability so often is such a personal and variable factor, the federal government under the proposed plan, if put into effect, would inevitably be forced to set up a huge and costly bureaucracy, both to operate the program and to police it against abuses.

Mr. Murphy took cognizance of state legislation in this field by declaring that

state insurance plans for temporary disability, of which five are now on the statute books, were preferable to federal action, if legislative intervention is necessary. However, he questioned the necessity for state action in view of the rapid growth of voluntary disability insurance.

"There is no demonstrated social need that requires the exercise of federal power in this way," he said. "Its exercise would not only prevent the consideration by the states of their respective situations, but it would at one blow wipe out or seriously impair existing state plans and the much larger fruits of voluntary efforts which have made such remarkable progress in recent years. It would embark the federal government on a dangerous experiment of enormous size and uncertain costs, requiring a vast number of federal employees through the country attempting to administer benefits under most difficult circumstances."

Miss. Agents' Rally May 19-21

Mississippi Assn. of Insurance Agents will hold its annual meeting May 19-21 at the Edgewater Gulf hotel, Edgewater Park.

Need for Casualty Coverages Told to Wis. Utility Men

MILWAUKEE—The importance of complete elevator public liability insurance together with personal injury, property damage and collision protection was stressed by L. M. Anderson, Milwaukee manager of Travelers Indemnity, at the conference of insurance buyers and managers of member companies of Wisconsin Utilities Assn., meeting here.

Each section of the policy was analyzed and discussed in detail, cautioning the necessity of complete understanding between insurer and insured as to the protection insured and the exclusions. Regular inspection of elevators and maintenance of equipment was stressed as of vital importance.

Mr. Anderson also reviewed the Wisconsin workmen's compensation act with reference to insurance and statutory obligations of employers. Discussion of that subject was continued from the claim settlement angle by John Coleman, manager workmen's compensation claim department of Travelers Indemnity. He cited specific cases of employee injuries and the disposition and settlement of the cases by Wisconsin industrial commission, appeals to Dane county circuit court and final action by the state supreme court.

Boiler and Machinery

Boiler and machinery was the topic of E. H. Hurst, Chicago manager of Hartford Steam Boiler. Sections of the policy were explained and discussed, as were specific conditions under particular types of machinery.

Mr. Hurst stressed the importance to insured of availing themselves of the inspection service and a complete follow-through system of complying with the inspection recommendations.

Use and occupancy and extra expense insurance in connection with boiler machinery were discussed by W. H. Henshaw, vice-president of Hartford Steam Boiler.

All phases of plate glass insurance were covered by James M. Garden, superintendent glass department of Hartford Accident, Chicago.

Burglary and Robbery

Much misunderstanding prevails as to what constitutes robbery and burglary, Paul J. Girard, superintendent burglary department of Hartford Accident, Chicago, said. He explained that "an individual is robbed" and "a premise is burglarized" and cited actual cases.

A good internal audit system was recommended as a measure to reduce losses, by W. H. Fuerman, assistant manager, and Carl Davidson, special agent of Fidelity & Deposit, Milwaukee, in discussing fidelity, forgery, dishonesty, theft and larceny insurance.

Harold Watson of Baerwald, Hoffman & Co. agency conducted the concluding round table discussion by utility and insurance men, covering all phases of fire and allied lines and casualty insurance included in the series of three conferences.

Mass. Monopoly Bills Up

BOSTON—Labor's three bills for a monopolistic state fund for workmen's compensation, offered by AFL and CIO, were argued before the legislative insurance committee with the same old claims as have characterized the issue in many years past.

Arthur D. Cronin, representing Smaller Business Assn. of New England, and Benjamin P. Priest, counsel of Insurance Federation of Massachusetts, opposed the measures and compared working of the Massachusetts law with the monopolistic law in Ohio, showing the benefits higher in Massachusetts and payments more prompt and easy.

Even the best
craftsman can do
better with the
right tools...



It's easy to sell more —
because it's easier to sell the prospect what HE wants — when you're selling Provident's complete line of personal protection plans...

LIFE • ACCIDENT • SICKNESS
HOSPITAL-SURGICAL

All the standard forms written on individual, payroll deduction, and group plans — plus many unique contracts developed to meet special needs. Full information in exchange for a letter outlining your general agency qualifications.

PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
CHATTANOOGA
protecting provident people since 1887

\$6561 Stolen From Firm Lost Betting on Horses

Office Manager Admits Destroying Records to Avoid Discovery

Bookies who visited him several days a week were blamed for his losses by [redacted], office manager and bookkeeper of a local funeral director. According to his statement he started betting on the horses about a year ago and dropped not only the \$6561 stolen but part of his monthly salary as well.

based on an actual case from the files of American-Associated.

False Entries Made to Cover Shortages!

... but no loss to company
protected by American-Associated
Comprehensive 3-D Policy



When his interests changed from hearses to horses, the office manager of a funeral director began to help himself to the funds of his employer. Before suspicion was aroused he had committed acts that were completely foreign to his previous 20-year history of reliability and trust.

He falsified the books with improper foot-

ings and balances, set up fictitious expenses and charge items, pocketed accounts receivable and destroyed the original records.

Fortunately the Company was protected by the American-Associated 3-D Policy. As soon as the shortage was discovered, auditors from American-Associated started to check through the books. In spite of the difficulties involved the examination was quickly completed and the claim paid in full.

The comprehensive coverage against Dishonesty, Destruction and Disappearance offered by the American-Associated 3-D Policy recommends it to every business executive.

**3-D Policy gives
Complete Coverage
against**

- 1. DISHONESTY**
- 2. DISAPPEARANCE**
- 3. DESTRUCTION**

**AMERICAN
INSURANCE**

AMERICAN AUTOMOBILE
INSURANCE COMPANY
SAINT LOUIS



**ASSOCIATED
COMPANIES**

ASSOCIATED INDEMNITY
CORPORATION
SAN FRANCISCO

Fraud Prevention, Fidelity Coverage for Small Bank

Lester A. Pratt, CPA of Washington, D. C., writing in "Auditgram" on fraud prevention for the small bank, discusses fidelity bond coverage. He says, in part:

The results obtained from carrying out a fraud exposure program will be very helpful in determining the amount of the fidelity bond coverage. However, insurance protection, although indispensable for the sound operation of a bank, does not prevent losses. It merely supplements methods of preventing loss and does not supplant efforts toward loss prevention.

The fundamental purpose of insurance is to mend the damage caused by losses and to replace lost funds and property. Therefore, the first problem which confronts bank management in the consideration of insurance protection is the amount of insurance to be carried.

He suggests a middle course, such as that approved by the protective and insurance committee of the American Bankers Assn. Risks and exposure

hazards should be surveyed and analyzed. Principal risks should be covered as completely as possible. Risks readily and safely preventable should be excluded.

Bank's Exposure Rules

Determining the amount of coverage in each case should be based largely on the bank's exposure to fraud. However, if adequate examinations are made by qualified auditors, experienced in bank examinations, and action is taken on the results obtained from a carefully developed fraud exposure program, the amount of coverage recommended by the Protective & Insurance Committee of the American Bankers Assn. should be sufficient in nearly every case.

The most serious hazard confronting a bank with insufficient insurance is that a large concealed embezzlement may dangerously impair its capital structure. Aside from the liability which might accrue to the bank's directors, insufficient insurance may be considered a

reflection on the bank's management, particularly if it is embezzlement which has continued without discovery for 10 or 20 years.

Longer Concealment

Each year bank embezzlers seem to be able to conceal their peculations for long periods of time, and today the average bank embezzlement extends over a period of more than 10 years. We have no way of knowing how many bank employees misappropriate funds, conceal their crime by manipulating their records, later replace the stolen funds and successfully evade discovery of their dishonesty. But it is only natural to suspect that in virtually all cases the embezzler continues embezzling just as long as he can get away with it.

Adequate protection is a bank problem. The insurance companies can suggest what they regard as a reasonably safe amount, but, in the end, the decision must be made by the bank, and the risk must be assumed by those banks that are disposed to buy less than experience indicates is safe.

Better Risk After Loss

Experience indicates that when a bank suffers a large loss, it becomes a better risk than those banks which have been apparently more fortunate. This is because the shock of a large loss sets the wheels of prevention in motion; better internal controls are instituted; external audits are made in place of the usually unsatisfactory examinations made by directors; the personnel is reviewed for the purpose of eliminating certain weaker characters from the bank's staff and both officers and employees become more alert to their responsibilities.

There have been many "wild" guesses as to the amount of annual bank embezzlements. On the average, the amount appears to be possibly between \$4 million and \$6 million annually. Bank embezzlements for last year, however, will probably exceed the \$6 million figure. The only known figure is the amount of losses paid by the American surety companies, on the basis of which bank surety bond rates and figures are calculated. In addition, there are unreported and unbonded losses, and losses paid by foreign domiciled surety companies.

Losses of \$4 million to \$6 million annually by internal theft from banks still constitute a figure about which no one should be complacent.

American Cas. Covers Project

American Casualty has executed a contract bond for \$2,030,799 on construction of a dam in connection with the Little Pine Creek project in Lycoming county, Pa. The agent is W. Howard Hartman of Williamsport.

Dr. Criss Chairman of Omaha Insurers

Dr. C. C. Criss, president of Mutual Benefit H. & A. and United Benefit Life of Omaha, has been named chairman of both companies and will retire from active management April 10, his 70th birthday.



Dr. C. C. Criss

Dr. Criss is founder of both companies. Mutual Benefit was organized in 1909. It passed \$1 million in premium income in 1920. Its 1948 premiums were \$76,853,984.

In 1926 United Benefit Life was organized with Dr. Criss as president. He formulated the policies by which this companion company was operated. United Benefit now has more than \$700 million of life insurance in force.

No successor as yet has been named to Dr. Criss as president of either company.

Mrs. C. C. Criss will continue as vice-president in charge of personnel and planning. Dr. Criss' brother, Dr. Neil Criss, will continue as treasurer and medical director.

Must Win Traffic Accident Fight on Highways—Jackson

The war against traffic accidents "is not going to be won in Washington, nor in state capitals, nor in the offices of safety organizations," Harold P. Jackson, president of Bankers Indemnity, declared in a talk before the annual dinner of Casualty & Surety Club of Syracuse on Monday. Strategy may be planned there, he said, but the real battlefront for traffic safety is on the streets and highways.

Mr. Jackson catalogued the work of national and local organizations engaged in safety work, detailing their objectives and accomplishments to date. In particular he called attention to the accident prevention department of Assn. of Casualty & Surety Companies; National Safety Council; the President's conference on highway safety. Through the persistent efforts of these and other organizations, notable advances have been made in traffic safety, he said.

The Dana agency of Fond du Lac, Wis., has been awarded the liability coverage on the city automobile fleet. The agency's bid of \$2,118 was made on behalf of General Accident.

HAWKEYE • SECURITY • TWO OF THE FINEST

DO YOU BELIEVE
There Is Lead in
A Lead Pencil?



No. There is no lead in a lead pencil. What is commonly thought to be "lead" is graphite, a flexible variety of carbon.

YOU CAN BE SURE HOWEVER...

... of one thing when you think of Hawkeye-Security. Yes, you can be certain that these two great companies provide the kind of service every agent is looking for.

Service that is "tops". Speedy, efficient payment of claims... every conceivable help in building sales... field representatives to work closely with agents.

Yes, judged in any way... Hawkeye-Security are two great companies.

HAWKEYE CASUALTY CO.
SECURITY FIRE INS. CO.

Des Moines, Iowa

HAWKEYE • SECURITY • TWO OF THE FINEST

AMERICAN RE-INSURANCE CO.

Robert C. Ream, Chairman
Edward L. Mulvehill, President

99 John Street, New York 7, N. Y.

December 31, 1948

CAPITAL	\$ 4,000,000.00
Surplus	8,610,916.97
Surplus to Policyholders	\$12,610,916.97
Reserve for Outstanding Losses	12,006,929.01
All Other Liabilities	7,966,609.62
TOTAL ADMITTED ASSETS	\$32,584,455.60

Securities carried at \$775,000.00 are deposited as required by law, and cash in the amount of \$34,356.93 is held in trust for the payment of certain specific losses.

CASUALTY • FIDELITY • SURETY
Re-Insurance

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O.L.&T. B.I. Rates Hiked 24% in N. Y.

National Bureau of Casualty Underwriters has revised upward bodily injury liability rates for a large number of owners', landlords' and tenants' classifications in New York, and has made a number of classification changes for the form effective April 4.

Classifications affected are those rated on an area or area and frontage basis, including stores, hotels, restaurants, apartments, tenements, boarding or rooming houses, mercantile and office buildings and other risks. The rates are increased an average of 24% statewide. Experience by classification was available for the first time since the war and, therefore, the changes in rates are not uniform, but reflect, as far as possible, experience by classification and territory.

The rate changes are distributed as follows: Territory I (greater New York), apartments, tenements, boarding and rooming houses, up 6%, all other classifications, up 40.1%; territory II (other cities), up 33.9%, and territory III (remainder of state), up 30.4%. The revision is based on the experience during 1946.

A number of classification changes have been made. Classifications for apartment hotels, clubs, hotels and Y.M.C.A.'s are amended to provide for separately rating the product liability hazard both on and off the premises. At present these O. L. & T. classifications include such coverage on the premises. The new rating procedure will be similar to that now used for restaurants and retail drug stores. The rating basis for camps is changed to "per 100 camper days." This basis will reflect the varying hazards depending upon the length of the camp operating season. Lower minimum premiums are provided for camps operated 31 days or less.

Refuse All Non-Resident Brokers Licenses in Ida.

The Idaho department is currently denying all requests for licensing of non-resident brokers and that is causing considerable consternation among agents with important lines in the state. The Idaho law bars company employees from being licensed as non-resident brokers and the department has now ruled that foreign agents and brokers are company employees and hence not entitled to license.

At the far west agents conference this week the Idaho representatives voiced the belief that the department had not fully considered the question and that efforts will be made to correct the situation.

The Idaho legislature has adjourned without enacting casualty rating legislation. The bills never got out of committee. The only other state that does not have such regulation is Oklahoma. The Nevada legislature has amended the non-resident licensing and countersignature law to remove the provision that the minimum countersignature fee shall be \$1 and the maximum \$50. It still provides that the fee shall be 5% of the premium. The licensing fee remains at \$10 and \$1,000 bond.

O. D. Bill for Firemen

RALEIGH, N. C.—The senate has passed a bill which would classify heart disease as an occupational disease for firemen. Similar bills have been killed at past sessions of the legislature. The act would apply to volunteer and part-time as well as full-time paid firemen.

UCD Hearing in Conn.

HARTFORD—A public hearing was held Tuesday on proposals to set up a statewide health insurance program of the UCD type.

Such proposals have been before the legislature many times before and have never mustered much

support but may have more success this time because Governor Bowles is backing them. Both labor and management, however, are objecting to paying their share of the proposed payroll tax of 1%.

Peery Joins Textile of N. C.

George A. Peery, former Virginia deputy commissioner, has joined the newly-formed Textile Ins. of High Point, N. C., as comptroller. He was with the Virginia department 11 years in various capacities.

Allen W. Brown, for the past six years

with North Carolina industrial commission, also has joined the company.

Headed by T. A. Wilson, former chairman of the industrial commission, the company has just started business and initially will write workmen's compensation and automobile insurance.

Casualty Actuaries Meet May 23-24

The Casualty Actuarial Society will hold its spring meeting at Stockbridge, Mass., May 23-24, at the Red Lion Inn. The arrangements committee headed by H. T. Barber, Travelers, has planned an

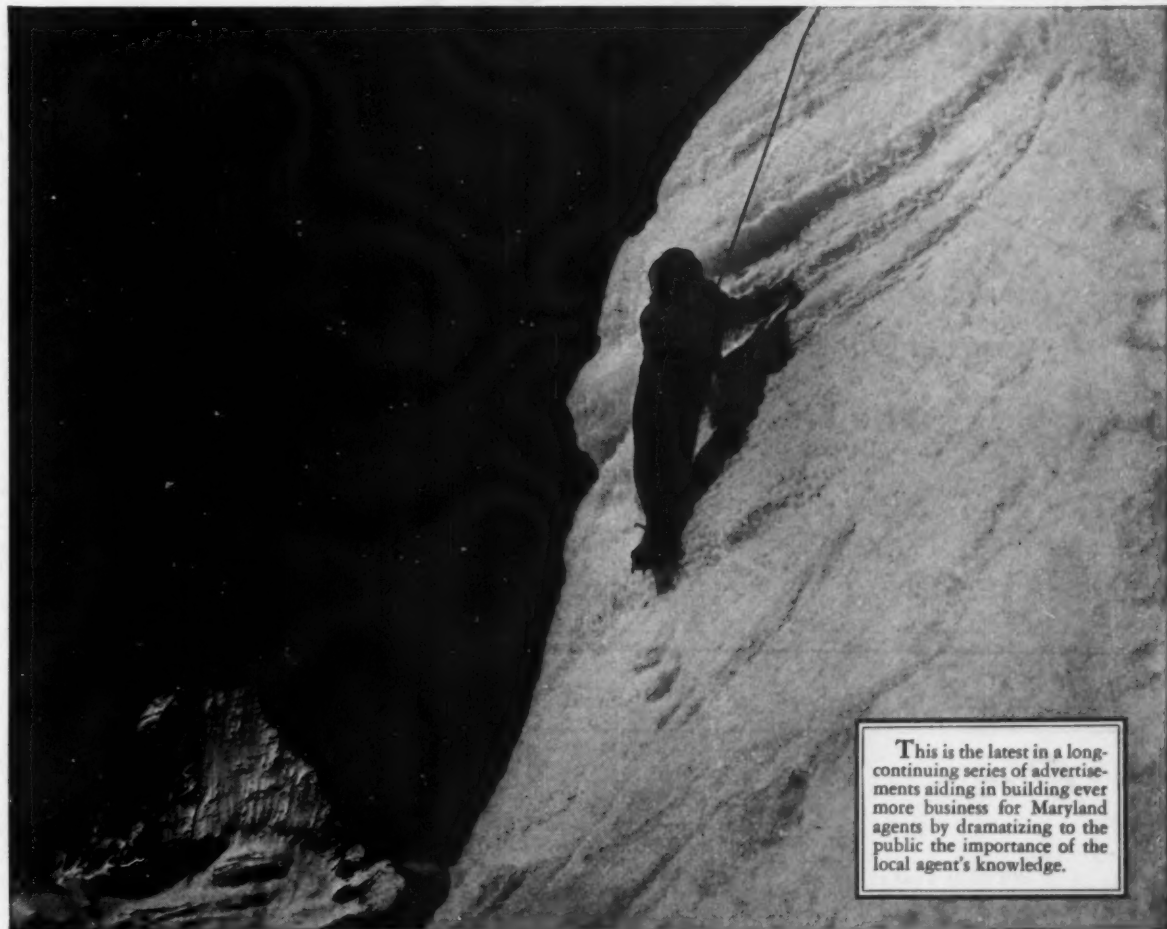
outing Sunday evening preceding the meeting.

There will be a business meeting Monday afternoon, a dinner meeting that evening, preceded by a social hour, and a business meeting Tuesday morning, with adjournment after lunch.

Beltran Fresno Manager

F. Frias Beltran, who has been home office inspector for the northern division of Unity Mutual Life & Accident, has been promoted to manager at Fresno, Cal.

"Unforeseen events . . . need not change and shape the course of man's affairs"



This is the latest in a long-continuing series of advertisements aiding in building ever more business for Maryland agents by dramatizing to the public the importance of the local agent's knowledge.

SAFE...BECAUSE OF A MILLION MISHAPS

THE MISHAPS that have brought grief and tragedy to so many others before him, have taught today's skilled mountain climber how to equip himself for maximum protection . . . against dangers both expected and *unexpected*.

Many, too, are the mishaps that can bring grave financial losses to you, to any businessman or householder. But fortunately there is a specialist, wise in the ways that unexpected trouble can strike you . . . and trained to protect you against its often bitter costs.

This specialist is your Maryland insurance agent or broker. He has the *specialized knowledge* to counsel you on all the kinds of insurance you need—to protect your business, your home, your income and possessions, your family's security and peace of mind.

This man's services and valuable experience are yours to command, simply by calling the Maryland representative in your community. Remember: Because your Maryland agent knows his business, it's good business for you to know him.

MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

All forms of Casualty Insurance, Fidelity and Surety Bonds, for business, industry and the home, through 10,000 agents & brokers

YOU SEE IT

MORE and
MORE

There's a Special Reason . . .

Consult Our Bonding Specialists

The EMPLOYERS' GROUP

Insurance Companies

110 MILK STREET, BOSTON 7, MASS.

The Employers' Liability Assurance Corp., Ltd. • The Employers' Fire Insurance Co.

American Employers' Insurance Co.

Our SPECIALIZATION

IN
WORKMEN'S
COMPENSATION
Opens the Door
for You,
the AGENT!



Based upon Strength, Integrity and Reliability, our SPECIALIZED SERVICE in WORKMEN'S COMPENSATION goes far in opening many doors of industry and business to YOU, the Agent!

Unequaled Service in engineering and claims handling aids agent-client contacts while promoting harmonious labor relations for the client as well.

Also . . . PUBLIC LIABILITY INSURANCE (Automobile excepted)

COAL OPERATORS CASUALTY COMPANY

GREENSBURG, PA.

**Commissioners Set May 15 Expense Exhibit Deadline**

NEW YORK—During the first two days of its April meeting here the sub-committee of the blanks committee of National Assn. of Insurance Commissioners decided that the filing date for the first year of the insurance expense exhibit will be May 15. Companies had asked for a May 30 date. Other subjects on the agenda included multiple line blanks and uniform accounting proposals.

The actuary of National Assn. of Insurance Agents, George Moore, filed a prepared statement with the committee withdrawing his objections to the latter until he made further study and could see the results of the uniform accounting regulations' first year. The agents' association has sought an even further breakdown on acquisition and field supervision expenses than called for in the uniform accounting regulation. Further action was expected before the four-day meeting ended. The sub-committee was expected to sit as a committee of the whole, giving full blanks committee approval to measures accepted.

Program Given for R. I. Agents' Assn.

The Rhode Island Assn. of Insurance Agents will hold its midyear meeting at the Sheraton Biltmore hotel, Providence, the afternoon of April 18. At 3 there will be an open forum discussion on rate regulation in Rhode Island, the panel being Commissioner Bisson of Rhode Island, Richard Wear, chief of the Rhode Island department's rating bureau, and Carleton I. Fisher, state national director of the Rhode Island association. At 4 there will be a forum on current agency problems with the associations officers as panel members. There will be refreshments at 5:30 and at 6:30 a banquet at which Superintendent Dineen of New York will be the speaker.

Hamm Wis. State Agent

London Assurance and Manhattan Fire & Marine have appointed John A. Hamm as state agent for Wisconsin with headquarters at 759 North Broadway, Milwaukee.

Change "Comp" Set-up in N. Y.

Legislation giving Edward Corsi, New York state industrial commissioner, control over the heretofore independent workmen's compensation board, headed by Mary H. Donlon, was passed in New York. The move was resisted by the workmen's compensation board until Governor Dewey indicated that he wanted it passed. The change is considered significant because it comes when the board is preparing to administer the new disability benefits program which will greatly increase its work.

Peoples' Accident of Lincoln, Neb., has been admitted to Colorado.

Broker Places Forgery Bond—On Own Firm

Leo Waldman, New York City, has placed his first forgery bond—on his own brokerage firm. Recently a \$700 premium check mailed to Mr. Waldman did not reach him, he discovered. Upon investigation, he found his signature had been cleverly forged. Further investigation revealed that his mail was being pilfered.

He recognized how easy it would be to forge either outgoing or incoming checks and purchased coverage on outgoing instruments. The forgery was so good, he said, he would have cashed the check himself.

Auto B.I. and P.D. Rate Raise Rejected in Iowa

DES MOINES — Commissioner Alexander has rejected a request by National Bureau of Casualty Underwriters for an increase of 7.7% on passenger car B.I. and 6.7% P.D. rates. Mr. Alexander held that present rates are adequate and that experience in Iowa does not justify an increase.

He also pointed out that the trend recently has been in the opposite direction. Several independents together with State Farm Mutual and Iowa Farm Bureau have granted rate reductions.

Region VI Women Meet

Mrs. Gertrude Cobb of Houston was elected director of Region VI, National Assn. of Insurance Women, at the regional meeting at Fort Worth. She succeeds Miss Mary Gambill of Little Rock. Little Rock was selected as the meeting place for 1950.

Miss Gussye Bennett was recommended for first vice-president of the national organization, and Miss Gambill for second vice-president.

Also Miss Helen Stombs, Rock Island, Ill., immediate past president of the N.A.I.W., attended.

Mrs. Ann Barker, president of the Fort Worth club, and Worley Jones, president Fort Worth Assn. of Insurance Agents, welcomed delegates. Fifteen of the 18 clubs in the region were represented.

Pre-convention activities included an open house at which Gulf was host. A luncheon was given by Houston Fire & Casualty and General of Texas. Floyd West & Co. gave a cocktail party and presented corsages to all the women present.

G. A. B. Promotes Douglass

Paul M. Douglass has been promoted to executive assistant in the southeastern division of General Adjustment Bureau at Atlanta. For 20 years he has been manager for the bureau at Albany, Ga. Mr. Douglass took an engineering degree at Georgia Tech, then attended Atlanta law school and in 1924 was admitted to the Georgia bar. He joined the Georgia department of banking and in 1925 went with the Atlanta branch of Southern Adjustment Bureau.

Added to Ill. Caravan

Maurice G. Herndon, assistant Washington representative of National Assn. of Insurance Agents, and Emerson H. Westwick, director of safety at Chicago for Assn. of Casualty & Surety Companies, have been added to the Illinois Assn. of Insurance Agents caravan, April 18-28.

Ely in Denver Post

Donald T. Ely is now with the Denver service office of North America as technical representative. He replaces R. E. Jenkins, now at the Salt Lake City office.

American Health Managers Confer

American Health has completed the second of its 1949 agency round table conferences at Baltimore. A similar meeting for agency managers of the Pennsylvania, Ohio, Kentucky area was held at Pittsburgh and the next meeting will be at Charleston, W. Va., April 7-8 for the West Virginia contingent.

Progress of the company during 1948 and plans for 1949 were reviewed at the Baltimore meeting by W. deV. Washburn, executive vice-president, at an opening luncheon. The remainder of the meeting was moderated by H. B. Morris, vice-president in charge of agencies, and H. C. Dodson, vice-president in charge of underwriting and claims.

Mrs. Helen M. Borgmeyer, widow of Elmer J. Borgmeyer, St. Charles, Mo., has taken over the active management of the D. J. Borgmeyer & Son agency. The L. S. Roberts agency, at Trenton, Mo., has been purchased by the McCullough agency.

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Announce Speakers for N.A.A.H.U. Rally at Cleveland

Several speakers have been announced for the annual convention of National Assn. of A. & H. Underwriters at Cleveland June 27-29.

John E. North, Loyal Protective Life, Cleveland, will talk at the sales meeting June 28 on "More Valuable Than Money." Luncheon speaker that day will be Rev. Robert Slaughter, well known humorist.

At the sales meeting Tuesday afternoon, William R. Dignan of W. R. Dignan & Associates, Cincinnati, will speak on "Why All This Selling." Russell T. Kelley, minister of health for the province of Ontario, will talk on "Some Answers to our Health Problems."

The Leading Producers Round Table will meet the last morning. Speaker at the luncheon will be Dr. Morris Fishbein, editor of the "Journal" of American Medical Assn., on "Health and Social Security." At the final sales meeting, Charles C. Robinson, vice-president Columbian National Life, will speak on "Tom Keith's Sales Talk."

Those attending will see a night baseball game between the Cleveland Indians and Detroit Tigers June 28. A cocktail party and a dinner dance will close the convention June 29.

Labor Slugging Compensable

The New Jersey supreme court has upheld a \$1,500 workmen's compensation judgment against Great Casket Co. of Wheelawken. Robert L. Grant, son of the company president and a former employee, won the suit, which was based on a brain concussion, lost working time and a 15% total disability that re-

sulted when a plant union vice-president slugged him. Grant conducted the labor-management negotiations of the company and was struck when he told the union men that he might have to lay off some employees. The court held the punch was a recognized risk of a labor relations job.

Chase Wisconsin Manager

Woodmen Accident has opened a state office at Green Bay, Wis., under the management of F. E. Chase, who has represented the company in that territory for 17 years. As state manager he will have charge of sales and service for northeastern Wisconsin and upper Michigan. Mr. Chase formerly represented Woodmen Accident in upper Michigan for three years.

Would Allow Plan D in Tex.

A hearing was scheduled this week in the Texas legislature to consider certain changes in the statutes governing insurance that would make it clearly permissible for the insurance department to approve interstate rating plans such as plan D.

Royal Shifts in South

Royal-Liverpool group has transferred F. C. Carleton, state agent in South Carolina, to northeastern Virginia with headquarters in Arlington. He is succeeded by T. A. McManmon, formerly state agent for North Carolina.

Seek Responsibility Referendum

In an apparent move to retaliate against some insurers and agents that backed the new Washington financial responsibility law, Washington State Federation of Labor announced it was considering a referendum on the act. The

law would go into effect on Feb. 1, 1950. It would be necessary for the sponsors to secure 30,000 signatures of valid voters to stay the act.

The move was regarded as a challenge to some insurance interests who are opposing the UCD law and are helping in the referendum campaign against it. An effort was made to tie up the two measures when they were under consideration.

N.A.I.I. Committees Named

Committee appointments for 1949 for National Assn. of Independent Insurers have been made by President John H. Carton, Wolverine.

E. A. Meyers, State Farm Mutual Auto, and Henry S. Moser, Allstate, constitute the all-industry committee. Other committees and chairmen are: Assigned risk, Fred Miller, Hawkeye Casualty; allocated claim expense, C. B. Kenney, Allstate; blanks and uniform accounting, Herbert F. Walton, Allstate; budget, J. E. Faust, State Auto of Indianapolis; convention, Mathew Powers, Great Central; federal wage and hour law, Samuel R. Seller, American Fidelity & Casualty; legislative, E. A. Meyers, State Farm Mutual Auto; membership, P. N. Snodgrass, General Casualty of Seattle; policy forms, R. G. Jamieson, Detroit Automobile Club; statistical, E. L. Brandt, Auto-Owners; underwriting profits, Charles M. Fish, Freeport Motor Casualty; valuations and securities, V. V. Moulton, Auto-Owners; allocation of statistical cost, Irving J. Maurer, Farmers Mutual Auto, J. Roth Crabbe, Farm Bureau Mutual Auto, and Norman T. Robertson, Secured F. & M., constitute a special committee to define classifications of fire, marine, and casualty insurance.

Sam Meyers, 61, treasurer of the Virginia agency of Sterling, died at his home at Richmond.

Would Require Financial Responsibility of License Applicants in Ill.

A bill has been introduced in the Illinois legislature to require evidence of financial responsibility from motorists before obtaining an operator's license or before receiving a renewal certificate.

American Re-Insurance Moves Tappan Ahead

John R. Tappan, treasurer of American Re-Insurance, has been elected financial vice-president of both that company and American Reserve. Arthur C. Machold, treasurer of American Reserve, has been elected treasurer of American Re-Insurance. David H. Houghtaling, secretary of American Re-Insurance, has been elected secretary of American Reserve and R. G. Lee, assistant secretary of American Reserve, has become assistant secretary of American Re-Insurance also. Charles R. Urban, assistant secretary of American Reserve, is now also assistant vice-

Take Home Indemnity Posts

Herbert A. Payne and Raymond E. Minner, vice-presidents and secretaries of Home, have been elected to similar positions with Home Indemnity. Kenneth E. Black, assistant secretary of Home, and Clarence Ramsett, assistant secretary of Home Indemnity, have been named secretaries of the Indemnity company.

J. L. Ashton of Leedom, O'Connor & Noyes Co. acted as installing officer and spoke at a dinner meeting of Insurance Women of Milwaukee. Florence Fox, Laub agency, the new president, and Margaret Nukow will be delegates to the national convention at Miami in June.



West Central Office: Lincoln, Neb.



Western Office: Berkeley, California



North Central Office: St. Paul, Minn.



Home Office: Bloomington, Illinois

To better serve almost
two million policyholders



STATE FARM INSURANCE COMPANIES

State Farm Mutual Automobile Insurance Company

State Farm Life Insurance Company

State Farm Fire Insurance Company

Cunningham Urges "Comp" Changes

(CONTINUED FROM PAGE 21)

classifications materially affects insurance costs. Clerical and sales payrolls and often payrolls for drivers, chauffeurs and helpers, the "standard exceptions," must be recorded separately. In addition he must make provision for proper recording of overtime wages, limitation of remuneration, board and lodging and executive officers payroll. This is a tall order for a small business man.

Further, the small compensation risk is a headache from the company standpoint despite continued use of loss and expense constants, which obviously

have not solved the agent's problem nor that of the assured.

The study made by the National Council, Mr. Cunningham said, was a detailed analysis of all policies written in Michigan in 1944. It showed that of the 660 manual classifications, nearly 100 were not used at all for the small risks; 125 classification codes were used only once, and 125 were not used more than 5 times each. Thus, 375 classification codes, or 57% of the total number were not used more than 5 times as governing classification codes in a small risk group. The number of classification codes used in the larger risk groups was even smaller, which would indicate that a large number of the codes could be eliminated or consolidated with others.

As the first point in his case for improvement of the small risk situation,

Mr. Cunningham proposed elimination of many of the little used manual codes. He suggested that the experience for the seldom used code numbers be combined, while the number of classifications be increased so that it will be possible to more accurately describe the operations of a greater variety of risks. The availability of increased number of classifications will help eliminate the necessity of classifying risks by analogy. Insured properly resents the classification of his business by analogy to some other industry when he cannot agree that any similarity of hazard exists between his business and that of the business described.

Second, he recommended the introduction of a single industry classification system to provide for application of a single rate to all operations common to individual industry groups.

A single industry classification system would greatly simplify the amount of work necessary in the policy writing, auditing, rating, claim reporting, statistical accounting and other company departments. It would make for better relations between the agent and his insured and the handling of the business simpler from the selling through the auditing stages.

It is possible, Mr. Cunningham said, that the single industry classification system would bring into focus some weakness in the present method of computing loss constants. As now determined, loss constants are based upon the average differential in loss ratios in all classifications of the industry groups manufacturing, contracting, and all others. If the distribution of business as between large and small risks in all classifications is not reasonably consistent, the uniform loss constant has not served the purpose for which it was introduced.

Include "Standard Exceptions"

The "standard exceptions" would be included in the simple rate plan. Mr. Cunningham said that manual rules with respect to division of payroll are unrealistic in connection with small risks. Physical separation of operations and the conduct of small business without some interchange of labor are conditions hard to comply with in most cases and manual rules often are the cause of disputes and misunderstanding. Although the manual provides in general that no payroll division shall be permitted for "operations that normally prevail" in a business, the rule specifically calls for the division of payroll of the "standard exceptions." The fact that these exceptions are standard would seem to indicate that they are actually operations normal to business.

Actually, the premium collected from the standard exception classification is hardly worth the bother involved in its determination. Review of a substantial number of risks shows that the clerical office premium amounts to only about 1% of the risk premium and that on risks where all three of standard exception classes are used, they produce only about 3% of the premiums. On small risks it undoubtedly costs more to make the divisions than is collected in premium.

Too Many Words in Policy

As his third recommendation, Mr. Cunningham called for a shortening of the policy contract. He observed that the number of words in a compensation policy, together with its required endorsements, is staggering.

In its present form, when the agent tells the insured to read his policy, he is asking him to read 3,200 words in the policy cover, 1,500 words in the state endorsement, 420 words in the overtime and payroll limitation endorsement, 200 words in the liability over endorsement, 140 words in the employee endorsement, 170 words in the premium discount endorsement, and 160 words in the board and lodging endorsement. That is a total of 5,840 words or, he said, the equivalent of 17 pages of a book similar to Professor Williston on Contracts.

The standard workmen's compensation

and employers' liability policy was designed years ago and has been used since in practically the same form. However, the advantage of having a contract which has been construed in practically all of its provisions by the courts is largely overcome by the disadvantage of having a contract so difficult to read and understand.

Proposes Three Year Contract

Finally, Mr. Cunningham proposed that small compensation risks be written for a three year period. There is ample precedent for this practice in the liability field, and even in workmen's compensation three-year policies have been permissible in connection with risks involving only domestic servants.

A considerable portion of the expense of small risk policies is in connection with their issuance. If handled only once every three years, there would be a substantial saving which might be passed along to the insured. While the ultimate saving cannot be measured, it might be expected that the present expense constant charge might be made only once for the three-year period or possibly done away with entirely.

Taking up possible objections, Mr. Cunningham said that passing up annual rate revisions based on experience is insignificant since the actual monetary charge in the individual risk is small, and it would not matter whether the charge were made once each year or once every three years. In the long run the aggregate premium would be the same. If necessary, it might be in order to amend the three year policy so as to provide that the revised rate would apply on an anniversary date if the change in rates were in excess of some fixed percentage such as 5 or 10%. Rate revisions resulting from changes in compensation laws always work in the same direction and it would seem proper to endorse policies as of the date of the law amendments. He remarked that he does not oppose abandonment of the principle that benefit provisions of a compensation law cannot increase without corresponding increase in insurance cost.

Limited to Small Risks

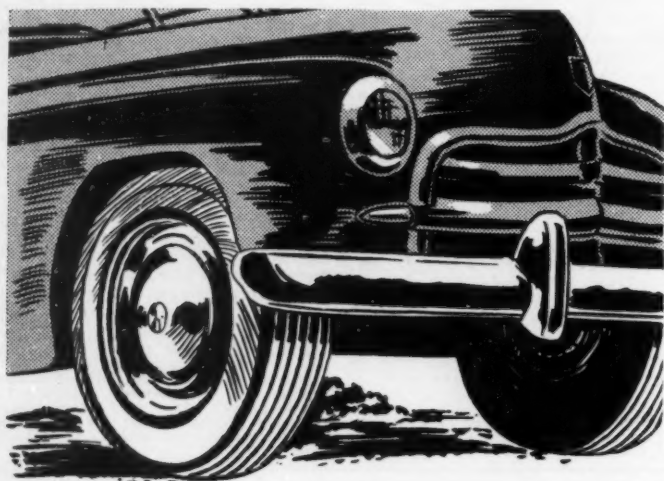
The three year policy should be limited to risks below the experience rating point, he declared. The premium size borderline risks could be permitted to have a three year policy with the limitation that there would be a forfeiture of experience rating.

To develop the anticipated savings, interim billings or audits or voluntary payroll reports would be eliminated altogether. The initial prepaid advance premium, therefore, must be equal to not less than three times the anticipated annual premium minus two of the expense constants. The success of the plan lies in the agent's ability to sell such a deposit premium to the insured. The resulting premium reduction of approximately \$20 should help scale down buyer resistance, and reduced agency cost in the handling of small risks should be a great incentive toward the required additional sales effort, he observed.

The feeling that payroll records would be lost or destroyed before the expiration of the three year policy is not borne out by experience. Audits of three year comprehensive general liability policies show that payroll records for the first year of coverage are still available at the time of final audit. The auditors report that in every case where insured maintains adequate payroll records, they are kept for a minimum of five years. Thus there would be no greater difficulty in obtaining three-year figures than in obtaining one, and the time spent in auditing would not be appreciably more for the three year period.

Propose UCD Study in Ohio

The Ohio senate has passed a bill to create a nine-member commission to study the advisability of a state temporary disability insurance plan. It is an administration proposal. The commission would be given \$20,000 for expenses and would have to report in 1951.



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Stage Set for Big Sales Drive in N. Y.

(CONTINUED FROM PAGE 21)

Except for the workmen's compensation connection the plan is similar to that in other states. All employers and employees subject to the workmen's compensation act must have the coverage. They may place it in a state fund, private carrier or self-insure.

Benefits are paid after the first week of illness. The benefits must be equal to one-half the employee's average weekly wage but not less than the \$10 minimum nor more than the \$26 a week maximum. Benefits are payable for any period up to 13 weeks in any 52 consecutive calendar weeks. An employee continues eligible for benefits for four weeks after his employment ends. His illness must be certified by a licensed physician and he is subject to medical examination if his insurer requests.

An unemployed worker who is not eligible for unemployment insurance benefits because he is ill and unavailable for work may receive disability benefits for 13 weeks during his first 26 weeks of unemployment.

Excludes Maternity Benefits

The bill excludes maternity benefits as well as multiple benefits from different sources such as workmen's compensation or old age benefits while enjoying his disability benefits. Nor are benefits paid to persons suspended or disqualified for unemployment insurance payments.

There is a special assessment split between employers and employees to build a fund amounting to two-tenths of 1% of payroll to provide benefits to be paid to disabled, unemployed persons. The assessment is expected to yield \$12 million. After the first six months employers will bear the full burden of maintaining this fund.

Every employer of four or more persons is covered by the bill. Voluntary plans may be terminated after a 90-day notice to the state after which the employer must insure through the state fund or another private carrier.

Employees through payroll deduction contribute one-half of 1% of wages paid them up to 30 cents a week. The employers' contribution is added to this. Employers must pay the entire cost of the benefits over and above the amount contributed by the employees.

The law also provides that the special fund for disabled unemployed workers shall be used to make payments to employees whose employers have failed to live up to the law. There are various penalties provided in the bill against employers who fail to live up to the law.

Sales Angles Involved

The sales factors used by the private companies in getting employers to place their workmen's compensation insurance with the private companies hinge on the accident prevention service, ability to place all insurance with one carrier, and the extra-territorial coverage in other states if the employer has employees there. These factors can be used in various ways by the life and casualty companies on disability coverage. Life companies don't do accident prevention work but they make returns in the form of dividends or credits. This allows the employer to do his own accident prevention work. Extra-territorial disability payments can of course be offered by the private carrier.

Placed on an equal footing, the private carriers are seldom afraid of state fund competition. The newly enacted 2% premium tax on the state fund helps to equalize the rivalry. It appears that New York will furnish a good test of private insurer vs. state fund, for the latter has shown itself to be aggressive and competitive in going after workmen's compensation business.

Earl Loose of the Fred L. Gray Co., president of Insurance Club of Minneapolis, spoke at the April 5 dinner meeting of Minneapolis Insurance Women's Assn.

NLRB Action Called Danger Signal

(CONTINUED FROM PAGE 1)

stances is furnished by the company and therefore this part is in no sense of the word a commission for selling the business, Mr. Sheldon said. He said that in part at least the casualty companies have recognized this principle in the commission differentials to agents, regional agents and general agents, set up in the old Acquisition Cost Control Conference rules.

"I can visualize that the increment to be added to the filed rate for any specific line and in any specific rating jurisdiction to cover commissions, true sales cost only could fairly be arrived at without unsurmountable difficulty after a joint study by company and agent," he said. "I am sure this increment would compare favorably with and in the majority of instances be lower than the selling (commission) costs in other industries. This then would be the only charge in the rate to the policyholder for the producers' services."

"The service that the agent renders for the company, that is, the writing of the policy, the reporting of the premium and collection, underwriting, inspection engineering, and in some cases, payroll

audit and loss adjustment, 'the behind the agents' counter expenses', as I have heard them so aptly called, can and properly should be subject to individual negotiation between the company and agent and the amount agreed upon should definitely depend on the amount of this type of expense that the agent relieves the company of insuring. In this way, the agent's right of private contract would still prevail. This approach to the problem, radical as it may seem to you now, will properly divide acquisition cost into its two segments, selling expense and operating expense. This division does not now truly exist and the agents are fast becoming the losers.

"So I say to you with all sincerity that whether we like it or not, we had all better recognize now that agents' commissions are our biggest personal problem and that we had better do some real thinking on that problem before it is too late."

Discussing the federal outlook, Mr. Sheldon said that of paramount concern to all agents is the broadening of social security coverage. If such legis-

lation is passed and the Gearhart resolution rescinded, the agents' position as independent contractor is certainly gone, he said. The fire and casualty agents of the nation have never opposed the principle of social security or its extension, but they have opposed the adoption of such benefits for themselves when it involved the giving up of their position of independent contractor, he pointed out.

Mr. Sheldon also expressed concern over the possible scope of the McCarran-Celler resolution to investigate the life insurance business, the enactment of a 75-cent minimum wage law, the danger of further extension of the Commodity Credit Corp.'s insurance to all crops on which it makes loans, the ECA's discontinuance of its practice of requiring marine insurance and setting up a plan that freezes out private insurers; and federal compulsory health insurance, which he said each agent should speak out against in talking with clients.

Agents Hear "Ad" Talk

Walter M. Harrison, Jr., of the publicity department of Travelers addressed Union County Agents Assn. at Westfield, N. J., on "Insurance Advertising by the Local Agent."

The advertisement features a central photograph of the Continental Companies Building in Chicago. Surrounding the photograph is a diagram with lines radiating from the building to various insurance services, labeled as follows:

- multiple line facilities
- life
- general casualty
- hospitalization
- inland marine
- fidelity—surety
- accident and health

Below the diagram, the text reads:

Continental Casualty Company
Continental Companies Building • Chicago 4, Ill.

Affiliates:
Continental Assurance Company
Transportation Insurance Company

File Mandatory \$50 E.C. Wind Deductible in Mass.

A mandatory \$50 windstorm deductible on extended coverage has been filed in Massachusetts by New England Fire Rating Assn. to replace the recently disapproved optional deductible. It is the same clause adopted in Rhode Island and makes the \$50 deductible apply separately to each building and separately to property in the open, but not to contents. The optional form applied to contents as well as buildings.

N. E. F. I. R. A. also has put deductible clauses into the windstorm and hail manuals in Maine, Massachusetts, Rhode Island and Connecticut.

The new deductible will not change E. C. rates in Massachusetts. Existing policies written with the old deductible clause adopted last September may be endorsed with the new form, and this procedure is likely to be popular, because the new clause has a more liberal contents provision.

The new deductible for windstorm coverage written separately makes no change in rates, except in Connecticut

and Maine where it will be optional on both windstorm and extended coverage, and an additional premium will be required for deletion of the deductible.

In Vermont, the deductible is used only on farm property other than farm dwellings.

Mutual Marks 60th Year

Farmers Mutual of Marysville, Kan., held the second of three regional meetings at Sabetha, Kan., by way of celebrating its 60th anniversary. William K. Ward, special agent, conducted a panel on inspections following a luncheon. The 35 agents present participated in a discussion with home office officials.

The past year the company wrote 12,000 policies. Gross premiums were \$400,000 and losses were \$199,740.

Roy Tuchbreiter, president of Continental Assurance and Continental Casualty, who has been on the Pacific Coast about three months, expects to return to Chicago in about one month. He has been combining relaxation and business development in the western area. His headquarters are at Rancho Santa Fe south of Los Angeles and he is the proprietor of a ranch above San Diego. He disposed of his ranch in Oregon.

G. A. Hunt Advanced in Travelers Marine Division

G. Abbott Hunt has been appointed assistant secretary of the marine department of Travelers Fire and Charter Oak.

He has been an underwriter in the marine department for fifteen years. Since 1947, when the company entered the ocean marine business, he has been closely identified with that line.

Mr. Hunt has been in the marine business for 26 years. Before going with Travelers, he was with North America as a marine special agent and manager.



G. Abbott Hunt

Pepich Made President of Anchor Agency, Chicago

Stephen T. Pepich, vice-president and secretary of Anchor Agency, Chicago, has been made president and treasurer. He replaces John J. Chavanne, Jr., who has resigned. The new vice-president and secretary is Kenneth M. Hough who was formerly chief claims examiner for Anchor Casualty at St. Paul.

Mr. Pepich has been with Anchor Agency since it was founded four years ago. Before that he was Cook county manager for Fred S. James & Co. for two years and a field man for Commercial Union, operating from Critchell-Miller agency in Chicago for 10 years. He started his underwriting career originally with North America. Mr. Pepich is vice-president of several building and loan associations in Chicago and suburbs.

Mr. Hough is a C.P.C.U., having received the designation last year. From 1945 to 1948 he was associated with the Kenneth-Murchison agency at Dallas and for a number of years before that was state agent at Houston of Anchor Casualty. He is a graduate of University of Minnesota.

Service of Process Act Passed in New York

Action taken by the New York legislature during the last week of its 1949 session included passage of the unauthorized insurers' service of process act. The bill has gone to the governor.

The bill amending schedule G to allow the lumping of all salaries exceeding \$5,000 and a showing of the total number of employees in that group has been signed by the governor. Only individuals earning more than \$10,000 need now be separately listed.

The bill restoring the words "or allowances thereto" to section 213 passed but is opposed by the department and may be vetoed.

Another bill which has gone to the governor amends the general corporation law to permit indemnification of an officer, director or employee for reasonable expenses incurred in the defense of a law suit brought against him in his official capacity if he has not been negligent or guilty of misconduct. The present law prohibits use of this authority except through a majority vote of the members. This law is considered impractical for mutual companies which would have to get a majority vote of policyholders.

The amendment eliminates the requirement for a vote of the members. Mutual companies would be given the right to indemnify by certificate of incorporation or charter or by amendment thereto by a by-law or by resolution in a specific case adopted by a company's board or trustees. It also provides for the elimination of notice of payment being made to members by stipulating that notice be given the insurance su-

perintendent. In 1946 a similar amendment was passed eliminating the requirement for a vote of the majority of members of savings banks.

Amend Cal. Responsibility Law to Avert Hardship

Governor Warren has signed the bill amending the California financial responsibility law. Under the emergency clause it became effective as of April 1, when filed with the secretary of state.

The law eliminates the entire two paragraphs of section 419 of the state vehicle code and amends section 420 of the code so that sub paragraph (d) reads:

"Upon receipt of notice of such accident from the department the insurance company or surety company named in such notice shall notify the department (motor vehicle) within such time and in such manner as the department may require whenever such a policy or bond was not in effect at the time of such accident."

The urgency section of the act, making it effective immediately is amended to strike out all language beginning with "a technical defect occurred in the preparation of such law" and substitutes the following: "In the operation of the act it was found that it was impossible to secure verification of the insurance within the time limits imposed by the law in a very substantial number of cases and that therefore it became necessary in compliance with those time-limits to suspend licenses of numerous drivers who actually had protected themselves and other drivers by the purchase of insurance but through the operation of technical provisions of the law could not meet the time requirements in the act. This defect has already resulted in the suspension of thousands of drivers' licenses which need not have been. It is therefore necessary to change the procedure for determining whether insurance was in effect at the time of the accident in order to prevent the law from continuing to work a serious injustice upon thousands of drivers."

Harry Klein Retires

Harry Klein, underwriter in the western department of Hartford Steam Boiler at Chicago, retired on pension April 1 after about 49 years with the company, all the time in Chicago. He became associated with it in 1900, as a policy writer and later for many years was chief clerk.

Mr. Klein was tendered a luncheon by the staff, and was presented a radio and a volume of portraits of his associates.

Extension for Strike Insurer

LOS ANGELES—Management Underwriters, Inc., attorneys-in-fact for the Management Insurance Exchange, has been granted an extension for one year of its permit to solicit subscribers for the exchange. The original permit was granted just a year ago. The exchange was planned to write insurance against strike damage.

WANT ADS

INDIANA

Special Agent wanted by casualty company writing principally automobile coverages. Prefer an Indiana resident. Address T-99, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Special Agent for territory in Ohio. An ideal opportunity for man with ambition. Will consider man with insurance experience and with possibilities of developing into a fieldman. Salary, car and expenses furnished. Write Box T-96, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



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1948 CASUALTY NET PREMIUMS AND PAID LOSSES IN MARYLAND

	Total Premiums and Losses	Auto. Liab. Premiums and Losses	Other Liab. Premiums and Losses	Work. Comp. Premiums and Losses	Fidel. Premiums and Losses	Surety Premiums and Losses	Plate Glass Premiums and Losses	Burg. Theft Premiums and Losses	P. D. & Coll. Premiums and Losses		Total Premiums and Losses	Auto. Liab. Premiums and Losses	Other Liab. Premiums and Losses	Work. Comp. Premiums and Losses	Fidel. Premiums and Losses	Surety Premiums and Losses	Plate Glass Premiums and Losses	Burg. Theft Premiums and Losses	P. D. & Coll. Premiums and Losses
Acc. & Cas.	28,178	8,235	2,308	9,170	—272	20	815	2,508	5,133		475,546	151,692	34,902	109,540	8,392	21,691	11,363	23,630	107,187
Aetna Cas.	1,753,663	275,655	113,567	430,116	30,334	69,713	9,290	54,659	191,191		186,219	61,233	8,054	38,841	2,226	—	5,522	12,391	55,622
Allied M. C.	14,995	3,510	10	155,939	9,862	—513	4,923	17,534	90,936		671,146	168,395	68,203	236,261	6,514	9,812	8,341	33,173	124,565
Allstate	436,854	217,344	—	—	—	—	—	—	194,434		375,011	122,138	28,263	143,321	1,055	—	8,366	15,861	151,316
Amer. Auto.	817,982	330,945	41,574	125,587	971	130	5,172	15,560	297,942		264,604	79,755	—	—	—	—	—	—	51,691
Amer. Cas.	338,844	99,252	35,253	85,905	593	1,210	9,263	15,437	70,698		614,698	214,681	57,498	138,372	12,180	11,290	9,822	33,896	133,373
Amer. Empl.	132,739	40,727	14,190	28,108	7,615	19,088	3,884	8,306	27,214		219,117	82,557	6,217	49,343	7,728	—	4,093	13,986	60,292
Am. F. & C. Va.	99,303	75,246	35	—	—	—	1,622	3,789	14,574		20,027	8,117	1,961	5,306	—	—	2,549	1,749	301
Am. F. & C. Fla.	79,033	54,785	248	850	—	—	138	92	20,438		8,035	2,819	549	2,245	—	—	1,561	736	125
Amer. G. & L.	136,138	47,813	15,379	17,886	6,444	—	1,826	4,977	39,458		348,507	200,821	2,038	—	—	—	—	—	148,048
Amer. Ind.	18,154	4,157	1,394	—	—	—	1,128	2,519	4,827		133,957	75,616	—	—	—	—	—	—	55,341
Am. Motorists.	541,390	264,487	3,108	96,469	3,371	327	1,271	442	3,804		1,239,117	425,557	120,125	446,040	35,629	69,517	9,998	46,273	215,130
Am. Mut. Lda.	1,078,841	257,975	34,612	599,269	—887	—	696	5,172	106,069		1,097,499	372,582	120,125	446,040	35,629	69,517	9,998	46,273	215,130
Am. Plchldrs.	5,165	1,895	280	718	—	—	—	—	861		201,805	109,031	5,724	16,768	—50	—	8,822	7,584	55,986
Amer. Re.	111,795	18,810	6,483	18,980	18,429	42,286	125	3,903	4,636		30,612	12,054	3,171	1,961	—	—	—	—	13,426
Am. Surety	236,214	64,540	10,824	39,948	15,183	22,812	3,339	8,682	45,880		11,219	3,551	2,004	322	—	—	—	—	5,342
Anchor Cas.	1,906	—16	—	1,113	—	—	—	—	—		982,167	305,599	137,932	156,211	21,640	17,274	20,614	65,527	229,534
Arex Indem.	5,980	679	485	3,900	—	—	—	—	861		369,865	132,463	12,701	65,631	611	1,156	7,354	17,546	114,428
Assoc. Ind.	69,343	—80	15,431	50,915	—	—	—	—	156		2,179	1,207	—	—	—	—	—	—	972
Atlantic Mut.	1,355	210	99	783	—	—	—	—	101		2,304	1,250	—	—	—	—	—	—	1,054
Bankers Ind.	137,269	48,047	5,318	30,696	—	—	—	—	46		1,146	693	—	—	—	—	—	—	492
Car & Gen.	225,987	78,317	11,198	74,059	2,331	1,601	739	2,438	55,301		Jamesstown Mut.	14,950	8,661	1,029	—841	—	—	—	6,110
Celina Mut.	96,757	32,563	383	42,229	—	—	—	—	115		19,077	2,326	86	13,256	—	—	—	—	3,409
Central Sur.	125,391	97,758	1,494	1,524	3,491	3	776	1,387	17,844		227,311	89,556	248	—	—	—	—	—	132,468
Century Ind.	47,088	102,903	38,476	131,175	6,289	13,475	12,381	37,222	73,228		85,035	38,215	—	—	—	—	—	—	77
Citizens Cas.	116,841	70,121	135	52,607	4,794	—224	9,223	37,214	40,585		Liberty Mut.	2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433
Columbia Cas.	49,537	10,685	2,841	6,432	762	751	617	2,631	10,124		1,697,499	132,184	30,526	697,562	11,822	—	2,976	15,392	145,226
Commercial Cas.	488,952	107,415	24,147	6,211	3,210	8,482	5,428	17,572	61,010		102,500	17,395	13,931	28,902	—	—	1,547	4,328	12,646
Comm. Ind.	1,980	1,064	39	1,638	4,126	—	1,311	12,218	19,126		102,500	17,395	13,931	28,902	—	—	1,547	4,328	12,646
Cont. Cas.	574,880	91,977	33,772	106,750	7,681	11,161	10,535	34,276	76,465		24,960	2,989	1,011	10,546	1,000	—	298	416	5,401
Eagle Ind.	217,376	73,788	16,364	48,900	1,418	3,744	2,416	14,276	46,332		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Elec. Mut. Lda.	67,363	3,021	614	61,591	—	—	—	—	2,137		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Empl. Liab.	445,006	71,582	59,324	151,585	6,997	21,190	3,447	15,218	70,423		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Empl. Mut. Cas.	18,413	3,838	1,738	6,802	—	—	—	—	4,707		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Empl. Mut. Lda.	277,120	21,461	15,264	217,476	—2,588	—	—	—	24,096		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Empl. Re.	207,683	98,196	8,091	5,322	5,305	18,411	263	5,429	26,614		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Eureka Cas.	161,976	57,508	9,649	47,734	—	—	—	—	37,178		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Excess	8,591	—666	135	1,250	3,236	4,434	—5	10	—		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Factory M. L.	39,139	15,338	577	—	—	—	—	—	21,457		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Farm Bur. Mut.	2,908,756	1,030,036	34,149	174,732	262	—	—	—	4,152		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
F. & C.	1,049,745	319,915	66,358	271,121	18,532	34,794	17,690	65,387	220,455		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
F. & D.	553,291	1,706	—	235,484	164,006	12,679	139,410	—	—		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Fireman's Fund	378,087	104,160	53,467	90,395	11,037	10,348	11,309	21,184	74,467		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Gen. Acc.	130,413	18,568	8,206	43,914	5,245	—971	5,813	9,036	40,145		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Gen. Cas. Wash.	230,670	49,146	1,869	78,413	—	—	—	—	868		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Gen. Reins.	209,838	70,449	13,317	15,980	25,120	33,942	1,246	14,245	13,547		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
Gen. Trans.	105,641	78,876	—	3,180	362	12,775	—	1,920	3,856		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
	40,621	16,249	1,030	14,701	—	—	—	—	8,641		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226
	15,562	3,869	10	8,187	—	—	—	—	3,496		2,464,486	338,386	141,853	1,433,691	26,566	4,733	24,455	324,433	145,226

(CONTINUED ON NEXT PAGE)

INSURANCE SERVICE

WE SOLVE YOUR UNDERWRITING PROBLEMS

Long Haul Trucks — Busses — Taxicabs — U-Drive Trucks & Pleasure Cars

UNUSUAL INSURANCE RISKS PLACED

EXCESS and PRIMARY COVERAGES REINSURANCE FIRE CASUALTY INLAND MARINE

Retrospective Automobile Insurance for Financial Institutions & Automobile Dealers

EASTERN SEABOARD UNDERWRITERS, Inc.

Telephone:—Saratoga 3373

26 South Charles Street, Baltimore 1, Maryland

Cable Address:—EASTSEA—Baltimore

	Total Preme. and Losses	Auto. Liab. Preme. and Losses	Other Liab. Preme. and Losses	Work. Comp. Preme. and Losses	Fidel. Preme. and Losses	Surety Preme. and Losses	Plate Glass Preme. and Losses	Burg. Theft Preme. and Losses	P. D. & Coll. Preme. and Losses
Phoenix Ind. . .	103,002	22,025	13,402	33,267	.....	.....	1,322	1,363	16,172
Preferred Acc. .	66,232	9,500	2,337	28,013	.....	.....	659	1,666	14,693
Public Serv. M. .	30,417	14,685	441	2,385	236	2,773	173	1,192	9,382
Royal Ind.	60,659	35,267	.....	16,516	.....	.....	.....	.....	21,274
St. Paul-Merc. .	628,529	176,800	60,187	171,028	16,077	7,294	5,338	31,296	118,978
Seaboard Mut. .	212,185	55,276	29,318	33,743	3,170	20,180	3,330	16,019	42,835
Seaboard Sur. .	58,837	17,652	2,596	13,379	364	137	1,272	7,193	16,244
.....	30,982	15,867	.....	.....	.....	25	.....	.....	15,030
.....	28,946	.....	22	.....	2,873	24,878	.....	1,173	.....
.....	—41	.....	.....	.....	—41	.....	.....	.....	.....

	Total Preme. and Losses	Auto. Liab. Preme. and Losses	Other Liab. Preme. and Losses	Work. Comp. Preme. and Losses	Fidel. Preme. and Losses	Surety Preme. and Losses	Plate Glass Preme. and Losses	Burg. Theft Preme. and Losses	P. D. & Coll. Preme. and Losses
Sec. Mu. Cas., Ill. .	40,284	1,631	267	46,340	.....	.....	.....	.....	1,046
Selected Risks. .	17,009	67	400	16,336	.....	.....	.....	.....	206
Shelby Mut.	84,459	30,524	639	15,413	.....	.....	.....	.....	40,883
Standard Acc. .	37,126	13,758	.....	5,059	.....	.....	.....	.....	15,559
State Au. Mu., O. .	56,964	9,006	3,459	104	.....	.....	.....	.....	14,872
State Fm. Mut. .	39,051	13,846	630	.....	.....	.....	.....	.....	8,803
Sun Ind.	224,745	20,006	13,115	93,129	5,785	46,507	654	4,798	25,236
Travelers Ind. .	95,884	7,800	719	47,730	5,157	564	127	2,651	27,612
Un. Nat. Ind. .	261,501	78,387	7,444	.....	.....	.....	.....	.....	125,910
U. S. Cas.	116,244	44,005	425	.....	.....	.....	.....	.....	59,922
U. S. F. & G. .	362,947	134,932	690	.....	.....	.....	.....	.....	188,963
U. S. Guar.	199,523	100,095	25	.....	.....	.....	.....	.....	86,032
Utica Mut.	41,638	11,550	3,865	13,075	10	—14	2,580	2,672	7,690
Va. Auto. Mut. .	26,989	11,796	1,294	.....	.....	.....	.....	.....	4,903
Va. Sur.	648,190	300,527	18,326	.....	6,029	17,961	6,906	45,879	235,272
Yorkshire	238,149	109,879	2,491	.....	399	100	3,803	20,321	59,094
Zurich	1,105,510	48,424	114,339	410,540	.....	.....	.....	.....	.....

UNITED STATES CASUALTY COMPANY



HOME OFFICE:

60 John Street

New York

Maryland Totals

	Total Preme.	Net Preme.	Paid Losses
Total Preme.	\$47,570,545*	15,735	10,125
Total Losses	20,550,671*	1,411	839
Auto B.I. Preme.	10,411,336	1,946	117
Auto B.I. Losses	4,471,599	.....	.....
Other Liab. Preme.	2,576,320	825	161
Other Liab. Losses	548,030	.....	.....
W.C. Preme.	10,319,782	2,933	435
W.C. Losses	4,759,028	5,044	1,822
Fidelity Preme.	975,000	5,498	707
Fidelity Losses	238,302	9,718	6,060
Surety Preme.	1,345,976	3,554	783
Surety Losses	92,030	4,947	1,823
Glass Preme.	397,729	14,433	6,414
Glass Losses	181,040	1,939	.....
Burglary Preme.	1,347,087	937	96
Burglary Losses	535,640	4,498	1,355
P.D.-Coll. Preme.	8,853,418	1,426	143
P.D.-Coll. Losses	4,143,017	44,481	14,467

	Net Preme.	Paid Losses
Amer. Cas.	21,233	9,200
Amer. Empl.	815	159
Amer. Health	44,644	18,534
American Life	108,771	21,178
Amer. Motorists	6,028	1,653

Other Lines

	Net Preme.	Paid Losses
Acc. & Cas.	241	.....
Aetna Cas.	566	600
Aetna Life	773,227	422,151
American Auto	95	6

	Net Preme.	Paid Losses
Amer. Mut. Liab.	15,735	10,125
Amer. Policyholders	1,411	839
American Reins.	1,946	117
American Surety . . . . .	.....	.....
Anchor Cas.	825	161
Associated Indem.	2,933	435
Bankers Indem.	5,044	1,822
Bankers Life & Cas.	5,498	707
Bankers Life, Ia.	9,718	6,060
Bankers Natl. Life.	3,554	783
Ben. Assn. Ry. Empl.	4,947	1,823
B. M. A.	14,433	6,414
Central Sur.	1,939	.....
Century Indem.	937	96
Columbia Cas.	4,498	1,355
Columbian Natl. Life.	1,426	143
Columbus Mut. Life.	44,481	14,467
Combined	255,445	98,127
Commercial Cas.	149,914	50,646
Commonwealth Mut. Md.	725,069	434,701
Conn. Gen. Life.	10,932	8,654
Continental Assur.	212,256	62,869
Continental Cas.	510	.....
Credit Life	7,828	3,019
Eagle Indem.	91,810	56,459
Educators	5,047	1,385
Employers Liab.	476	.....
Empl. Mut. Liab.	9,300	1,819
Employers Reins.	767,272	437,733
Equitable Society	55,698	37,193
Farm Bur. Mut. Auto.	11,965	4,316
Federal Life & Cas.	27,742	9,104
Fidelity & Cas.	1,540	457
Fireman's Fund Ind.	67,867	24,141
Gen. Acc.	3,306	1,488
Gen. Amer. Life.	9,150	4,657
Gen. Reins.	7,149	2,319
Glens Falls Indem.	7,866	2,991
Globe Indem.	3,309	501
Great American Ind.	20,860	7,916
Hartford Acc.	1,739	840
Home Indem.	10,036	1,125
Illinois Bankers Life.	27,649	17,905
Indem. of N. America.	777	62
Independence	19,749	10,818
Inter-Ocean	5,202	1,383
Inter-State Assur.	76,961	45,554
John Hancock	4,386	297
Keystone Auto Club.	110,424	55,418
Liberty Mutual	762	.....
Life of Va.	13,421	6,692
Lincoln Natl. Life.	6,565	3,874
London Guar.	4,183	2,079
London & Lancashire.	28,627	11,943
Loyal Protective Life.	37,126	6,925
Lumbermens Mut. Cas.	165	500
Mfrs. Cas.	44,963	17,003
Maryland Cas.	21,975	13,218
Mass. Bonding	49,807	13,115
Mass. Casualty	136,403	24,647
Mass. Indemnity	26,488	15,424
Mass. Mut. Life.	108,800	42,765
Mass. Protective	20	.....
Merchants Mut. Cas.	10,468	7,142
Metropolitan Cas.	1,101,678	596,278
Metropolitan Life	204,985	92,731
Monarch Life	703,910	327,543
Mutual Benefit H. & A.	301,092	82,351
Natl. Acc. & Health.	134,092	34,369
National Cas.	141,148	51,843
National Life & Acc.	154,914	56,727
National Life	24,952	7,026
New Amsterdam Cas.	65,853	31,173
North Amer. Acc.	241	338
North Amer. Life.	23	.....
Norwich Union Ind.	5,372	580
Occidental Life	7,499	559
Ocean Acc.	600	.....
Ohio Cas. . . . .	.....	250
Ohio Farmers Indem.	18	.....
Old Republic Credit.	41,262	20,895
Pacific Mut. Life.	79,545	30,603
Paul Revere Life.	29,565	7,726
Peerless Cas.	12,580	3,675
Phila.-United Life	9,131	8,664
Phoenix Indem.	5,150	864
Preferred Acc.	57,026	27,032
Provident L. & A.	356,454	624,845
Prudential	445,868	106,301
Quaker City Life.	90,164	31,517
Reliance Life	222,658	46,472
Reserve Life . . . . .	.....	.....

(CONTINUED ON NEXT PAGE)

Trinity Universal Insurance Company

Dallas Texas

GENERAL LIABILITY • BURGLARY • PLATE GLASS
WORKMEN'S COMPENSATION • AUTOMOBILE
FIDELITY and SURETY BONDS • FIRE
INLAND MARINE

Royal Ind.
St. Paul-Merc.
Shelby Mut.
Standard
State Mut.
San Indem.
Travelers
Union Cas.
Union Life
United Ind.
United Ind.
United Ind.
U. S. Cas.
U. S. F. & G.
U. S. Life
Utica Mut.
Washington
World
Zurich

Totals
MAC
Amer. Empl.
Amer. Guar.
Amer. Reins.
Aetna Indem.
Columbia
Eagle Indem.
Empl. Liab.
Empl. Reins.
Excess
Fid. & C.
General A.
General B.
Globe Indem.
Hartford
London G.
Lumbermens
Mutual H.
Ocean Acc.
Phoenix Ind.
Royal Ind.
Travelers

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	Net Penna.	Paid Losses
Royal Indem.	6,857	1,549
St. Paul-Mercury Ind.	414
Sec. Mut. Life, N. Y.	279
Shelby Mut. Cas.	1,284	529
Standard Acc.	13,287	6,004
State Mut. Life.	21,747	9,477
Sun Indemnity	928	60
Travelers	532,207	354,044
Union Casualty	29,505	20,966
Union Labor Life.	187	250
Union Mut. Life.	16,803	5,234
United Benefit Life.	113,165	35,642
United Ill.	435,335	293,384
United Life & Acc.	2,840	1,060
United Natl. Indem.	12	822
U. S. Casualty	20,890	8,277
U. S. Fid. & Guar.	36,803	12,238
U. S. Life	9,087	4,384
Utica Mutual	127	.....
Washington Natl.	421,893	164,776
World	32,506	10,154
Zurich	69,418	58,951

Totals\$10,235,705 \$5,256,344

MACHINERY & STEAM BOILER

	2,732	275
Amer. Empl.	2,732	275
Amer. Guar. & Liab.	2,385	.....
Amer. Reins.	192	.....
Arex Indem.	134	.....
Columbia Cas.	7,796	.....
Eagle Indem.	2,310	223
Empl. Liab.	40,193	434
Empl. Reins.	—20	.....
Excess	197	.....
Fid. & Cas.	7,841	851
General Acc.	2,385	.....
General Reins.	2,796	.....
Globe Indem.	8,026	.....
Hartford Steam Boil.	124,691	112,166
London Guar.	1,647	60
Lumbermens Mut. Cas.	15,122	5,484
Maryland Cas.	67,626	1,553
Mutual Boiler	24,173	535
Ocean Acc.	19,432	1,039
Phoenix Indem.	687	600
Royal Indem.	35,574	5,334
Travelers Indem.	16,430	2,062

Totals\$ 383,229 \$ 130,616

SPRINKLER & WATER DAMAGE

	8,028	3,326
Aetna Cas.	8,028	3,326
Amer. Reins.	—5	.....
Commercial Cas.	182	187
Great Amer. Indem.	77	.....
Indem. of No. Amer.	107	.....
Maryland Cas.	3,994	762
Metropolitan Cas.	—1	.....
Phoenix Indem.	123	100
United Natl. Indem.	20	.....
U. S. F. & G.	179	89
U. S. Guar.	52	.....

Totals\$ 12,756 \$ 4,445

CREDIT

	110,750	—83
Amer. Credit Indem.	110,750	—83
Empl. Reins.	3,023	.....
General Reins.	2,067	.....
London Guar.	15,499	—605

Totals\$ 131,345 \$ —683

LIVE STOCK

	682	1,050
Hartford Acc.	682	1,050
Hartford Live Stock.	20,922	8,982

Totals\$ 21,604 \$ 10,012

PERSONALS

Ellis H. Carson, executive vice-president and **Sherman Drake**, vice-president of the National Surety, have completed a tour of the Pacific Coast and returned by plane to New York.

President **O. T. Hogan** and Secretary **A. D. Johnson** of United of Chicago, accompanied by Mrs. Hogan and Mrs. Johnson, are leaving April 3 for a three weeks' visit in California. While there Mr. Hogan and Mr. Johnson expect to attend some of the meetings in the Los Angeles and Oakland districts and probably will check with State Manager S. J. Arcaris about opening additional territory in California.

M. H. Trepkow, first vice-president of Western Surety, Chicago, has returned from a brief vacation at Phoenix, Ariz.

Cecil G. Bevis, manager of the liability department of Hoosier Casualty, has been elected president of the Indianapolis Mercator Club.

Lester S. Moore, vice-president of American Surety group since 1930, has retired after 44 years of service. A dinner was given in his honor by the management. Mr. Moore was first employed in 1905 as a stenographer to F. W. Lafrentz, present chairman, when the latter was controller for American Surety. During that period he attended New York law school and was admitted to the bar in 1909.

In 1914 he was made assistant manager of the American Surety's metropolitan branch office and later became manager. He was elected vice-president of Amer-

ican Surety in 1930 and later was elected vice-president of New York Casualty and Surety Fire. He has been on the underwriting committee since 1937.

DEATHS

Clarence M. Leith, retired resident vice-president at Boston of Standard Accident, died in Baltimore hospital at 64. Mr. Leith graduated from Maryland in 1908, practiced law until 1910 when he went with U.S.F.&G. In 1923 he joined Standard Accident as manager of the bonding department at Chicago. He was transferred to Boston as manager in 1926 and made resident vice-president in 1934. He had retired because of ill health in 1948.

Wesley B. Kitts, 51, attorney in the Los Angeles branch of Hartford Accident, died suddenly while trying an automobile damage suit in municipal court. He was a graduate of University of California in electrical engineering and during his college years was a track star. Following graduation he joined Hartford, and spent his whole business career with that company at Los Angeles and San Diego.

Arnold C. Neilson, 48, for 21 years

superintendent of the claims department at Milwaukee for Ocean Accident and Columbia Casualty until he resigned because of ill health several weeks ago, died in an ambulance in route to the hospital. He had been found in his home with self-inflicted stab wounds. Mr. Neilson had been despondent over the death of a 6-year old son six months ago.

COMPANIES

Plan New W. C. Insurer

Los Angeles interests have made application to the California department for reservation of the name "Zenith National Insurance Co." The company has been incorporated and plans to write workmen's compensation.

Republic Goes Stock

Republic Indemnity of Columbus, O., which has taken over the assets and liabilities of Republic Mutual, is a stock company with capital of \$100,000 and surplus of \$125,000. It has been licensed to write all lines of casualty insurance, including all types of automobile coverages, liability and medical ex-

pense. It has reinsured all of the outstanding policies of Republic Mutual and is retaining the same management, rates and policies.

Fred D. Connolley is chairman; Charles E. Nixon, president; C. Russell Younger, vice-president; Clare E. Cook, secretary-treasurer; Kenneth G. Morris, assistant secretary-treasurer.

ASSOCIATIONS

To Hear N. J. Official

William J. Dearden, deputy director of the department of law and safety of New Jersey, will speak at a luncheon meeting of Casualty Underwriters Assn. of New Jersey at Newark April 11.

Hear Talk on Explosives

LOS ANGELES—George Prussing, who has spent several years in safety work connected with the liquid petroleum industry, spoke at a meeting of Casualty Insurance Adjusters Assn. on explosives, citing several disasters to show how the least relaxation of vigilance results in disaster.



CENTRAL SURETY AND INSURANCE CORPORATION

R. E. McGINNIS, President

HOME OFFICE KANSAS CITY, MISSOURI

\$740,000 Still Missing After New York Banker's Arrest

Whereabouts of at least \$50,000 in currency and \$690,000 in bonds remained a mystery after the arrest in Florida this week of Richard H. Crowe, bank manager, who embezzled \$883,000 from National City Bank of New York. Crowe maintains he threw the bonds in the Atlantic ocean and took them originally only to "make bank officials angry."

FBI agents found \$54,796 in currency in Crowe's suitcase and have accounted for about \$75,000 more he sent to friends and relatives to pay debts. London Lloyds insures National City Bank.

Conferences Retain Counsel

NEW YORK—The acquisition cost conferences for casualty, fidelity and surety business have retained the New York law firm of Donovan, Leisure, Newton, Lumbard & Irvine to study the facts and the law to determine the legality or illegality of conference operations. This includes study as to the qualification of the conferences as service organizations and whether or not

their operations are in violation of the state anti-trust law. An opinion, to include recommendations for future legal action, is expected soon.

Topeka Board Wins Tax Suit

The Kansas City tax court has decided in favor of the Topeka local board in a case brought by the government to collect income and excess profits taxes for the years 1937-1945. It is thought the government may appeal to the circuit court, but no action has been taken yet.

The Topeka board is an unincorporated, non-profit organization. The government sued for \$11,466 in back taxes, holding that the board is an association, taxable as a corporation. The agents contended that the board is a "syndicate, group, pool, joint venture or other unincorporated organization" or that it is a "business league," and in either event exempt and only obliged to file informational returns.

The internal revenue department maintained that collection of dues which are credited on the books as income, a bank account under the name of Topeka Insurers and advertising over the board name indicate that the

board was more like a corporation than not.

File Referendum Petition On Wash. UCD Measure

Miss Lulu Fairbanks, Seattle publishing executive, has filed a petition for a referendum on Washington's newly-enacted unemployment compensation disability law. If her followers obtain 30,000 valid signatures of registered voters by June 8, the effective date of the law, it will not go into effect until the voters have cast their ballots on the issue at the November, 1950, general election.

A possibility of a referendum opened up when Governor Langlie vetoed the emergency clause in the bill. He said he could see no reason for the emergency clause, which would have put the act into effect April 1, since the law did not require deductions until July 1. He contended that the issue is so vital to the state's workers that they should have an opportunity to express themselves if they wish to.

The executive committee of Washington Assn. of Insurance Agents held an emergency meeting at Seattle and voted to support a referendum if one should be filed, but made it clear that it was not taking the leadership in sponsoring such a move. The Washington Federation of Labor, which sponsored the bill, is vigorously opposing a referendum.

The state unemployment compensation security department has held off drafting rules and regulations pending the outcome of the referendum campaign. A factor in the department's delay was that the veto of the emergency clause cut off a \$30,000 appropriation which otherwise would have become available April 1.

New Conference Members

Five companies were admitted to membership in H. & A. Underwriters Conference at a meeting of the executive committee Monday at Chicago. They are: Continental Assurance, Continental Casualty; Rio Grande National Life, Dallas; Educators Mutual, Lancaster, Pa., and Combined American, Dallas.

Butler V.-P. of Reins Club

Albert N. Butler, Jr., has been elected vice-president of the Reins Club of New York. Mr. Butler went with G. F. Brown & Sons as secretary last fall after five years as brokerage manager at New York for Aetna Fire. He heads the New York office of the firm which acts as surplus and excess line brokers.

Jones Heads Auto Dept.

Wilbur J. Jones has been appointed superintendent of the automobile department of the Phoenix of Hartford group. He has had 25 years' experience in automobile underwriting, and is a charter member of Automobile Underwriters Club of Hartford.

Rhode Island Suit Continued

Hearing of the suit of Rhode Island Ins. Co. vs. Commissioner Downey in superior court at San Francisco has been continued to April 18.

Underwriting Profit Session

Superintendent Dineen of New York is conducting a two-day meeting of the subcommittee on underwriting profit of National Assn. of Insurance Commissioners at the New York department this week.

Amer. F. & C. Has Good Year

Premium income in 1948 of American Fire & Casualty of Orlando, Fla., was \$5,322,650 an 18% increase over the preceding year. Assets total \$4,170,864, a gain of \$680,777. President Walter L. Hays, reported that the assets are 96% liquid.

The company voted a regular dividend of 50 cents.

Vigorous Campaign in N. Y. Against American Farmers

The New York department has completed two penal actions against representatives of American Farmers of Phoenix, while in a third action Robert I. Goleston charged with representing the company is free on \$2,000 bail. The three actions brought by the department charged the men with the illegal sale of policies of American Farmers, which is not licensed in the state.

Charles Mendola and Gustave Weissberger, former agents of the company, pleaded guilty of violating the penal law. Mendola was fined \$500 and given a suspended sentence of 90 days, while Weissberger, a second offender, was fined \$300 and sentenced to four months in the workhouse.

Though unlicensed, American Farmers has been carrying on an active sales campaign in various sections of the state including Harlem, Jamaica, Brooklyn, and Watertown, the department said. In Jefferson and Lewis counties, it charged, several licensed agents are under investigation for selling insurance in the company and, if found guilty, will be disciplined by the department. Cases involving unlicensed agents will be turned over to the district attorney for action. The department pointed out that persons purchasing insurance from unlicensed companies lose the protection of the insurance law, including protection against policies of uncertain value.

It states that American Farmers has attracted solicitors through payment of unusually large commissions. Data from the department says that on an "All-American" policy purporting to provide accident and sickness insurance protection for an annual premium of \$23, the agent retains \$14.50 of the first premium as commission, and pays \$8.50 to the company. Under a "Purple Heart" policy, the agent keeps \$18.75 of an annual premium of \$31.50. If he collects only a six months' premium of \$19, the agent keeps \$15.

The department also says that American Farmers uses a form letter for dealing with claimants which provides for an offer of settlement as a condition to which the company deducts a full annual premium for a renewed policy from the claim settlement. The policyholder is asked to agree to this before the claim is paid. One such offer was dated March 24, although the premium was not due until September.

Strengthen Financial Responsibility Act in Tenn.

NASHVILLE—A strengthened automobile financial responsibility law has been passed by the legislature requiring motorists involved in an accident amounting to \$50 or more to show financial responsibility to the extent of \$10,000 for personal injury and \$1,000 for property damage. The bill was sponsored by Nashville Automobile Club and Tennessee Assn. of Insurance Agents.

The state formerly had a judgment law but did not require evidence of future financial responsibility.

An amendment to the original bill favors insurance coverage and motorists refused by at least three companies may appeal to the department which will place the insurance in the assigned risk pool.

Correction on Premium Rank

In the table in the March 31 issue giving comparative standings of net premiums written for 50 multiple line companies, Standard Accident was incorrectly shown in eighth place with \$64,352,468. The correct figure is \$35,161,548, which puts it in 14th place. Maryland Casualty holds eighth place, Employers Liability ninth, Indemnity of North America tenth, General Accident 11th, American Automobile 12th and Zurich 13th.

LOCAL MANUFACTURER SUED FOR PRODUCT INJURY!

Here's a headline that can INCREASE YOUR PREMIUM INCOME

Manufacturers can be sued for personal injury arising from the use of their products. Misuse or misapplication doesn't necessarily relieve them of liability. Do your local manufacturers fully realize that they face this serious hazard? Chances are many of them don't and they do not have Products Liability coverage.

So Products Liability contracts can be an excellent source of increased premium income for you

as well as give you an opening into new accounts.

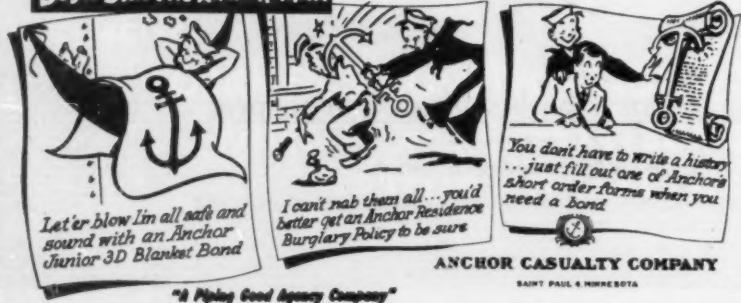
Today the regular markets for this business are limited and not available on classes which our Underwriters find acceptable. We have been writing Products Liability for over thirty years and we offer that experience to assist you on this type of business.

That is why we say—write or call us now for full information—**UNDERWRITTEN BY LLOYD'S OF LONDON.**

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ANCHOR CASUALTY COMPANY

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ACCIDENT

Hold Minn. A. & H. Sales Congress at St. Paul

ST. PAUL—The first sales congress of Minnesota Assn. of A. & H. Underwriters is being held here April 7. It starts with a business session at 9 a.m. and includes sales congress sessions both morning and afternoon, a luncheon and a cocktail hour and banquet at which Eugene F. Gregory of Denver, national president, will speak on "What Are Our Intentions?"

The congress program includes: "They and All of Us," Russell Douglas, St. Paul Hospital & Casualty, Waukegan, Minn.; "The Fairer Sex," Milton Scholer, Continental Casualty, Rochester; "Political Medicine," Paul Clement, Minnesota Commercial Men's, Minneapolis; "Should I?" Arthur Hyneman, Washington National, Litchfield, vice-president Minnesota association; "Why I Entered the A. & H. Business," W. E. Brunning, North American Life & Casualty, Winnipeg; "Roster," M. C. Laughman, North American L. & C., Minneapolis; "My Daily Work," J. C. Hennes, Monarch Life, St. Cloud. Robert Sheran, member of the legislature, is luncheon speaker. Carl A. Ernst, North American L. & C., St. Paul, is general chairman.

Would Take Mass. Blue Cross Control from Hospitals

BOSTON — Radical changes in the control of Massachusetts Hospital Service (Blue Cross) are recommended in the report of a special commission of the legislature appointed last year.

The report proposed that control of Blue Cross be taken away from the hospitals and that not more than six of the 17 directors be selected by them. At the present time the law provides that at least a majority of the board be hospital directors or trustees. The report recommends that three directors represent contributing employers and three contributing employees.

Inclusion of individual subscribers under maternity benefits, now limited to group subscribers, is favored. Although the investigation was brought about principally because of criticisms by Commissioner Harrington, the report fails to go as far as he had advised in a number of respects.

The report finds Blue Cross in good financial condition, with a surplus of more than \$3 million.

Bureau Plans Seminar on Administration of A. & H.

Bureau of A. & H. Underwriters will conduct an educational seminar on home office and field procedures May 12-13 at New York City. The purpose of the seminar is to increase efficiency and reduce administrative costs in the operation of A. & H. departments.

Merle J. Thompson, Standard Accident, will act as general chairman. Sub-chairmen will be George L. Smith, Travelers; Neil J. Brown, Hartford Accident, and Ray L. Hills, Great American Indemnity.

New Ill. Mutual Cas. Cover

Illinois Mutual Casualty is now offering all-expense coverage for eight specific diseases. Coverage is provided to individual adults up to age 90 and family groups to include dependent unmarried children of the insured, age 1 day to 18, inclusive. All expenses up to \$5,000 are paid for polio, tetanus, leukemia, encephalitis, smallpox, diphtheria, scarlet fever, and spinal meningitis.

Covered is the charge by the doctor of medicine or osteopath, the hospital expense and the hospital room and board and extra charges. The annual premium for individual adult is \$5. The annual premium for family groups is \$10.

CHANGES

American Surety Promotes Helton, Hoefler at Chicago

H. T. Helton has been appointed assistant manager and David W. Hoefler, superintendent of the casualty department for American Surety at Chicago. Mr. Helton has been superintendent of the American Surety casualty department for the past five years at Chicago. He graduated from Purdue in 1939 and joined Lumbermen's Mutual Casualty in Chicago as a safety engineer. After a year he became a casualty underwriter for that company and one year later joined Travelers in Chicago, being casualty underwriter for three years.

Mr. Hoefler has been special agent in downstate Illinois since 1946. He graduated from the University of North Carolina in 1939 and joined American Surety at New York as a casualty underwriter. He was in the air force from 1942 to 1945 when he returned to American Surety at Chicago.

U.S.F.&G. Names Niehaus, Lenahan Assistant Mgrs.

U.S.F.&G. has appointed Bernard H. Niehaus assistant manager at Indianapolis and William P. Lenahan, assistant manager at Boston. Mr. Niehaus has been in the field for the company at Indianapolis since 1928. Mr. Lenahan joined U.S.F.&G. in New York as a field supervisor in 1933. He has been an insurance instructor at Manhattan college, of which he is a graduate.

Employers Raises Kvateck

Frank J. Kvateck has been appointed superintendent of the Employers group northern Ohio claim department. Mr. Kvateck has been with Employers since 1936, most of that time as claim adjuster and attorney. He is a graduate of Western Reserve law school.

Raff Joins La Salle Mutual

Marvin E. Raff has joined La Salle Mutual Casualty of Chicago as supervisor of agencies. Mr. Raff has been with Freeport Motor Casualty as branch office manager at Oak Park, Ill., for four years.

Mr. Raff entered the business in 1920 as a map clerk with Hanover in Chicago, and then joined Springfield F.&M. there in the same capacity. He entered the brokerage and service department

of Automobile of Hartford and became superintendent of that department. After 12 years he went with General Exchange as adjuster and office manager, joined Central Mutual of Chicago as home office representative, opening up nine branches for that company. Mr. Raff was branch manager in Chicago for Emmco for 11 years before going with Freeport Motor Casualty as special agent.

Soule Now Buffalo Chief

General Accident has opened an office at Buffalo with Chester I. Soule,

Jr., as manager. Mr. Soule for some years has been with General Accident as special agent at New Haven, Conn.

People's in Assessment Tangle

People's Ins. Co. of Boise has run into difficulties in connection with the levying of an assessment on its policyholders that came in via the finance route. An attorney for a finance company lodged complaint against such discrimination. A hearing was held and it is understood People's is now preparing to extend the assessment to all of its policyholders.

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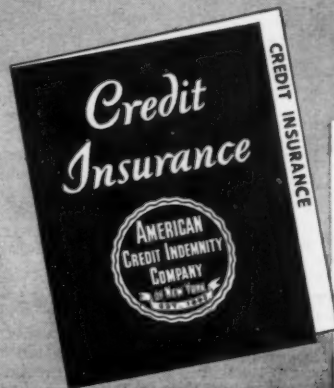
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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

District Meetings Held at Kingman, Wellington, Kan.

Successful district meetings of Kansas Assn. of Insurance Agents were held at Kingman and Wellington. Mrs. Arline Branden, Kingman, and A. L. Garnand, Wellington, were local chairmen under the direction of Ben H. Northcott, Jr., of Newton, zone membership chairman. Due to sudden illness of Mr. Northcott, Max H. Staley of Brown, Ginzel & Co., Wichita, state membership chairman, presided at Kingman and B. R. Brittain of Mr. Northcott's office at Wellington. Principal speakers were Commissioner Sullivan of Kansas and Alpha H. Kenna, executive manager of the Kansas association. Fire Chief Lipps was honored at Wellington for his fine job in improving fire protection, resulting in a reduction of the rating classification of the city. A number of field men were in attendance at both meetings. George Bacon, Eldorado, president, and Kenneth Ross, Arkansas City, vice-president of the Kansas association, attended both meetings.

Former Ill. Department Men Enter Maina Agencies

Two recently resigned Illinois insurance department officials, Martin E. Holohan, chief deputy and William H. Murphy, supervisor of small loans and bail bonds, have become partners with William V. Maina, who operates agencies in Chicago, Peoria and Springfield. The new firm will be known as Holohan, Murphy & Maina. Mr. Maina, who specializes in construction, paving and engineering bonds, operates the Certified agencies downstate and the Terminal agency at Chicago.

Insurance Kiwanis Topic

With John H. Carney, past president of Wisconsin Assn. of Insurance Agents, as program chairman, a meeting of the Kiwanis Club at Eau Claire, Wis., was devoted to fire insurance.

Eli Shupe, Milwaukee, state agent of Home, discussed the coinsurance clause and advised at least 80% minimum protection on property as well as recommending accurate appraisal of property to determine real value.

Robert Petersburg and R. H. Klein, Appraisal Engineering Co., La Crosse, Wis., elaborated on appraisals in connection with coinsurance.

Springfield Board Elects

SPRINGFIELD, ILL.—Grant Davis of the Burger-Davis agency has been elected president of Springfield Fire & Casualty Underwriters Assn. to succeed W. D. Huff, president for two years. Lawrence Ollis, R. A. Ollis & Co., is vice-president and Raymond Cherry re-elected secretary-treasurer.

Hold Minn. Hail Panels

Spring hail panel meetings sponsored by Minnesota Assn. of Insurance Agents were held April 5 at Springfield, April 6 at Lakefield and April 7 at Montevideo. L. A. Rutherford of Fireman's Fund was chairman, others taking part being H. J. Clough, America Fore; Coy Cochran, Home; Clark Jesten, Great American; J. M. Nearhood, St. Paul Fire & Marine, and George Hansen, Rain & Hail Insurance Bureau.

Urge Minneapolis Protection

MINNEAPOLIS—A large representation of insurance men, both company men and local agents, appeared before

the Minneapolis city council April 6 to urge better fire protection from the city. Recent costly fires have stirred the insurance men to action and some of their criticisms have brought prompt reaction by city officials who invited the insurance men to state their case frankly at the meeting of the city council.

John E. Jackson, state manager of Home, has been chief spokesman for the insurance industry along with Earl Loose, of the Fred L. Gray Co., president of Insurance Club of Minneapolis.

N.A.I.A. Courses in Kan.

Salina (Kan.) Insurance Board has voted to sponsor the standard N.A.I.A. course. Eleven agencies voted to have at least one representative in attendance. George Kaufman is the new president. The N.A.I.A. beginners course is being given by the Lawrence Insurance Board with 28 enrolled.

School for Inspectors

A three-day school for Kansas building inspectors and officials will be held April 18-20 at University of Wichita. Clyde Latchem, state fire marshal, and E. N. Harsha, chief engineer of Kansas Inspection Bureau, are among the instructors.

Panel for Mutual Club

Six members of Mutual Insurance Club of Columbus put on a panel discussion at the meeting at Columbus Monday. General liability, automobile, fire, inland marine and kindred lines were discussed. T. M. Lintala of the mill mutuals was moderator.

McLean Talks at Ashland

Scott McLean, deputy state fire marshal, talked on arson and how the department combats this evil in an address before Top of Wisconsin Assn. of Insurance Agents at Ashland. A report was made by officers on insurance bills before the legislature.

COAST

D. R. Luckham Honored on Leaving Cal. Department

LOS ANGELES—Representatives of all branches of insurance paid honor at a luncheon to Donald R. Luckham, who has resigned from the California department to become vice-president and general counsel of Beneficial Standard Life. More than 275 insurance men and women and department representatives attended.

Maynard Garrison, vice-president of Fireman's Fund, a former commissioner, was master of ceremonies. Former Commissioner Goodsell, under whose administration Mr. Luckham joined the department, and Commissioner Downey were guests. All three praised Mr. Luckham's work in the department.

Mr. Luckham received a desk set from A. & H. Managers Club of Los Angeles, a ship's clock from Surplus Line Assn. and a parchment scroll containing the names of all present at the luncheon. Mrs. Luckham shared honors of the occasion with her husband.

The luncheon was sponsored by Insurance Brokers Society, Los Angeles Insurance Assn. and Life Insurance Managers Assn.

Male members of the Los Angeles office of the department also tendered

Mr. Luckham a stag dinner, and Mrs. Luckham was guest of honor at a party given by the women of the departmental office.

Contact Committee Formed

LOS ANGELES—President C. J. Turner of Insurance Assn. of Los Angeles has created a new standing committee to be known as the contact committee, whose function will be to contact Pacific Fire Rating Bureau in an attempt to simplify rating procedure.

A course on insurance regulation will be started April 5 for the first time.

Get All Coast for Century

Edward Brown & Sons of San Francisco and Los Angeles have been appointed general agents of Century for Washington, Oregon, Idaho, Nevada and Arizona, as well as California. This gives them the entire Pacific Coast territory for Century.

SOUTH

Would Require Hearings on Rate Changes in N. C.

RALEIGH, N. C.—The senate has passed and sent to the house a bill requiring the insurance department to hold hearings on applications for changes in insurance rates and give at least 10 days' notice of hearings. An appropriation of \$20,000 a year is provided for personnel needed to conduct the hearings and for an actuary.

The senate insurance committee has reported favorably a bill to make the state a self-insurer for public school buildings, with three amendments which give counties to 1951 to decide whether they want to participate in the self-insurance program, allow insurance at from 75 to 100% of the value of the buildings, and give local authorities a voice in fixing the valuation of school buildings.

Hold Regionals in Va.

Virginia Assn. of Insurance Agents will conduct five regional meetings the week beginning April 11. Plans are under the direction of Theo W. Kelley, Richmond, chairman of the education committee.

The schedule for the meetings is: April 11, Danville; April 12, Emporia; April 13, Norfolk; April 14, Newport News; April 15, Irvington. This will be the second in a series of one day regionals sponsored by the association this year.

Speakers who will make the circuit are Warren F. Curtis, president of the Virginia association; Robert R. Connelly, Richmond manager of General Adjustment Bureau; E. H. Luecke, America Fore; Maurice G. Herndon, Washington office of N.A.I.A.; Mr. Kelley, and J. V. Arthur, Winchester, a past president of the Virginia association.

Louisville School Line Up

LOUISVILLE — Louisville board of education has decided to increase insurance on 74 school properties and its office building by 44%, figuring a boost of \$7,176,400 in coverage, from \$16,310,000 to \$23,486,400. Premiums will increase from \$28,130 a year to \$40,511.

For 26 years insurance on board of education properties has been well divided up among agencies, a program that will be continued.

Attending the meeting was a committee from Louisville Board of Fire Underwriters, composed of C. E. Swope, chairman; John S. Long and W. Culver Vaughan.

EAST

Warehouse Insurance Bill in Connecticut Opposed

HARTFORD — Warehousemen turned out in force to oppose a bill before the legislative insurance committee requiring them to carry insurance on property stored in their warehouses.

A representative of Connecticut Warehousemen's Assn. said the bill was vague, ambiguous and impossible of enforcement. He said it would put the warehousemen in the insurance brokerage business.

Sponsors of the bill said it would protect lower income people who might have to store their furniture in case of a housing problem or family breakup but could not afford insurance.

The committee has approved a substitute bill prohibiting coercion in the sale of insurance. It would outlaw a tie-in with insurance in any transaction. The measure as approved says a seller may provide a list of six companies with which the buyer may insure the article. It provides a penalty, however, for insistence on a direct insurance tie-in.

G.A.B. Opens Two Branches

General Adjustment Bureau opened branches at Norwich, Conn., and Morristown, N. J. C. J. Lewis will be manager at Norwich and Norman M. Chapman and John E. Breen of Hartford have been assigned to the office. Mr. Lewis has been with G.A.B. since 1937 and has been staff adjuster at Hartford.

H. S. Roberts will manage the Morristown office and Karl E. Tiffenbach and Andrew G. Skonberg, Jr., both of Newark, have been assigned to the office. Mr. Roberts has been with G.A.B. for six years in northern New Jersey.

Irvine C.P.C.U. Speaker

L. V. Irvine of Travelers spoke at a dinner meeting of Hartford C.P.C.U. chapter on fidelity bonds.

Students from Hartford College of Insurance attended.

Dinner Meetings in N. J.

The Hudson County Assn. of Insurance Agents will hold a dinner meeting at Union City April 28.

Monmouth County Assn. of Insurance Agents will hold a dinner meeting at Brielle the same date.

Passaic County association will hold its annual outing at North Jersey Country Club, Paterson June 9.

Realtors to Hear Farrer

Richard E. Farrer, director of education of National Assn. of Insurance Agents, will speak on "The Dollars and Sense of the Insurance Business" at the sales clinic of New Jersey Assn. of Real Estate Boards at Asbury Park April 22.

National Fire Club Elects

Thomas E. Dodd, chief American prosecutor at the Nuremberg war crime trials, spoke at the banquet of National Fire Group Men's Club.

The club named Edward F. Langan president; Eugene C. Brown, vice-president; Harley W. Lovell, secretary; Ward W. Scott, treasurer.

Hear Adjuster at Elmira

Chemung County Assn. of Insurance Agents met March 28 at Elmira, N. Y., with John F. Lawlor, independent adjuster, as speaker.

At the next meeting April 18, a representative of New York Fire Insurance Rating Organization will speak.

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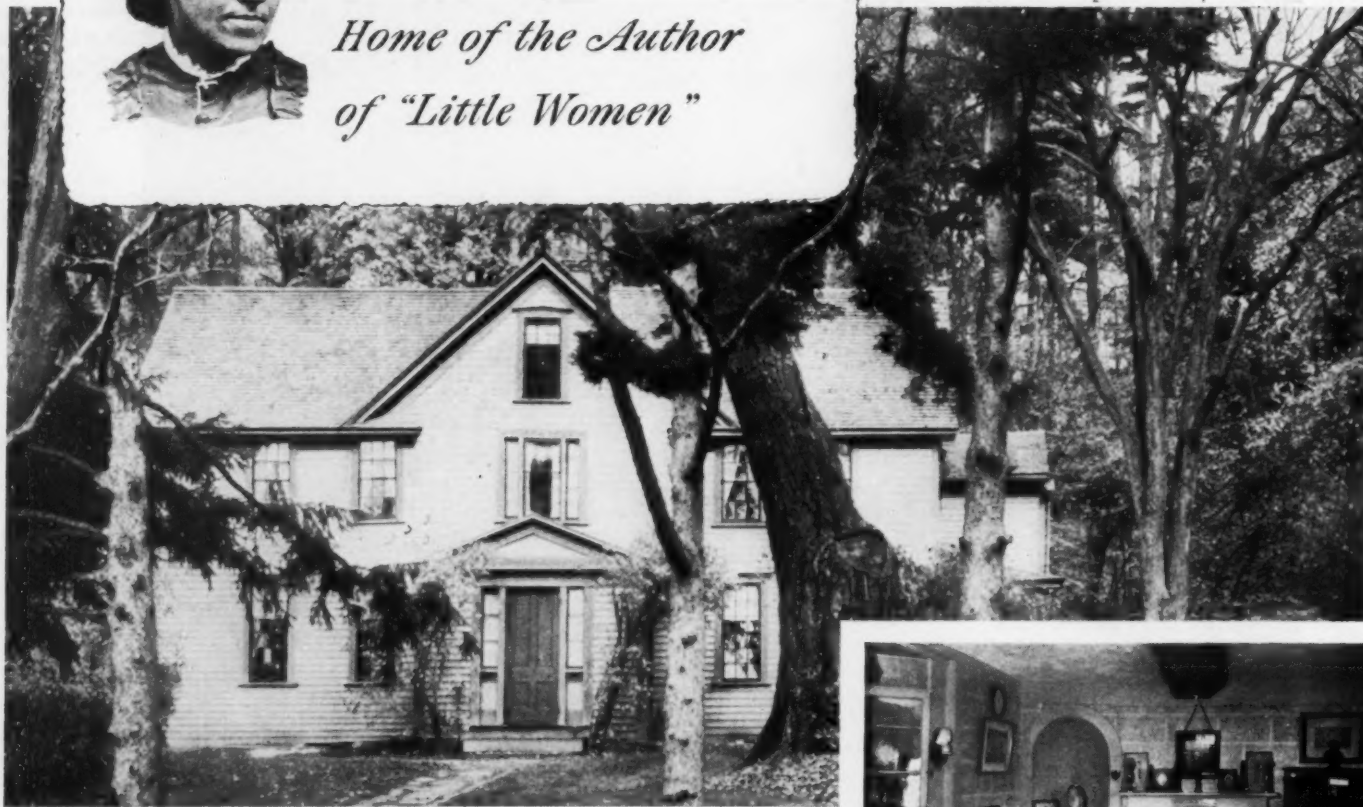
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Orchard House

*Home of the Author
of "Little Women"*

Famous American Homes



"THE FIRST golden egg of the ugly duckling," wrote Louisa May Alcott after the publication of "Little Women" which brought fame and prosperity after lean years of believing herself a failure. Yet the publisher was disappointed in the manuscript and inclined to reject it. Fortunately, he sought the opinions of some young friends and their enthusiastic reaction convinced him of its appeal.

As every reader knows, "Little Women" is based on the early home life of the four Alcott sisters and through the tomboy Jo, Louisa herself is revealed. Though the author spared no unflattering details, Jo with all her faults emerges as the strongest and most endearing character.

Louisa, the second of the four daughters,

was born in 1832 in Germantown, Pennsylvania, where her father conducted a school. A man of culture and advanced educational ideas, Bronson Alcott was nevertheless an impractical dreamer who had difficulty making an adequate living.

After many moves, in 1857 the Alcotts bought Orchard House in Concord, Massachusetts, which remained their home for twenty-five years. Built about 1650 and one of the oldest in Concord, the house was so dilapidated that its former owner had thought it fit only for firewood. But he did not know the resourceful Alcotts who energetically set to work and made the old wreck habitable. Some of the decorations made by May (Amy in "Little Women") still remain.

Under the spur of necessity the ambitious Louisa began writing at an early age, but her stories netted very little and failed to meet her own critical standards. With "Little Women," which was written at Orchard House and published when she was 36, she not only became successful in the eyes of the public but had the satisfaction of feeling that she had hit her stride. Characteristically, she rejoiced most in being able at last to install a furnace



The library in Orchard House

in Orchard House and provide her family with many other necessities and comforts. Her dominant love and protective instinct were constantly directed toward her family. This single-minded devotion was probably why she never married.

Orchard House is now maintained by the Louisa, M. Alcott Memorial Association. Through the help of relatives and friends it has the same appearance and much of the same furniture as in the days when the Alcott family made it their home.

* * *

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View of parlor. Note "sausage pillow" mentioned in "Little Women"

